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ABSTRACT

Single Audit Act of 1984 was passed to provide guidelines for organizationwide audits of federally funded programs. Explanatory notes for Educational Improvement Act (EIA) summer school accounting are given. Section 1 outlines audit requirements established for state and local governments that receive and administer federal assistance. An independent auditors report is described in section 2. Section 3 gives examples of general purpose financial statements. Sections 4 through 12 give sample financial forms for the general fund, special revenue fund, special program, EIA, Target 2000, debt service, school building, food service, and pupil activity funds. Sections 13 and 14 give examples of supplementary schedules. Section 15 describes an auditors report for a schedule of federally-assisted program expenditures and gives CFDA cross-cross-reference numbers. Internal control and compliance reports as well as a compliance supplement for single audit requirements and standards by program are given in sections 16 through 17. Six appendices comprise Section 18. (EJS)

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AUDIT GUIDELINES FOR 1989-90
SINGLE AUDIT ACT OF 1984

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FOREWORD

Responding to the concern of Congress about the fiscal responsibility and management for the large amounts of federal dollars being distributed annually, the audit process for federal programs was scrutinized, and ultimately, the Single Audit Act of 1984 was passed. The concept of the Single Audit Act is designed to create a true audit partnership between Federal, State, and Local Governments. It provides for organization-wide audits which should avoid duplication of effort and waste of resources.

The Office of Management and Budget (OMB), implementing policy for the Single Audit Act, issued Circular A-128, "Audits of State and Local Governments." The Circular deals with reviews of internal controls and compliance and also spells out the particular requirements of the auditor's reports.

ACKNOWLEDGEMENT

An expression of deep appreciation and sincere gratitude is extended to the following members of the Single Audit Committee whose contributions have assisted greatly in the preparation of this Audit Guide:

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TABLE OF CONTENTS

Foreword iii

Acknowledgement iv

Highlights viii

Explanatory Notes ix

Audit Requirements 1

I. Independent Auditor's Report 2

II. General Purpose Financial Statements 3

- A. Combined Balance Sheet - All Fund Types and Account Groups 3.1
- B. Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - All Governmental Fund Types 3.7
- C. Combined Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual General and Special Revenue Fund Types 3.8
- D. Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balance All Proprietary Fund Types 3.9
- E. Combined Statement of Changes in Financial Position All Proprietary Fund Types 3.10

III. Supplemental Schedules

- A. Schedule of Revenues, Expenditures, and Changes in Fund Balance General Fund 4
- B. Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Special Revenue Fund 5

  Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual - By Project (Excluding Special Revenue EIA Fund and Food Service Fund) 6
- C. Schedule of Revenues, Expenditures, and Changes in Fund Balance Special Revenue Fund - Education Improvement Act 7
- D. Schedule of Revenues, Expenditures, and Changes in Fund Balance Special Revenue Fund - Target 2000 8

E. Schedule of Revenues, Expenditures, and Changes in Fund Balance Debt Service Fund 9

F. Schedule of Revenues, Expenditures, and Changes in Fund Balance School Building Fund 10

G. Schedule of Revenues, Expenditures, and Changes in Financial Position - Food Service Fund 11

H. Schedule of Receipts and Disbursements - Pupil Activity 12

I. Detailed Schedule of Due to State Department of Education/Federal Government 13

J. Detailed Schedule of Deferred Revenue - EIA Fund and Target 2000 Fund .. 14

K. Schedule of Federal Financial Assistance 15

IV. Internal Control and Compliance 16

A. Compliance Report Based on an Audit of General Purpose or Basic Financial Statement Performed in Accordance with Government Auditing Standards 16.9

B. Single Audit Opinion on compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs 16.11

C. Single Audit Report on Compliance with the General Requirements Applicable to Major Federal Financial Assistance Programs 16.12

D. Single Audit Report on Compliance with Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions 16.13

E. Schedule of Findings and Questioned Costs 16.14

F. Report on Internal Controls Structure in Accordance with Government Auditing Standards 16.15

G. Report on Internal Controls (Accounting and Administrative) Based on a Study and Evaluation Made as a Part of an Audit of the General Purpose or Basic Financial Statements and the Additional Tests Required by the Single Audit Act 16.18

V. Compliance Supplement 17

A. Compliance Index 17.1

B. General Requirements 17.3

C. Financial Requirements 17.10

D. Program Requirements 17.11

Appendices

Appendix A
Superintendent's Authorization for Release of Data 18.1

Appendix B
Single Audit Act, 1984 (P.L. 98-502) 18.2

Appendix C
OMB Circular A-128 .... 18.10

Appendix D
Teacher Salary Increase/Assist Teachers with Paperwork Memo 18.23

Appendix E
Reporting of Fringe Benefits Memo 18.25

Appendix F
Target 2000 Initiatives Memo 18.28

1989-90 HIGHLIGHTS

EXPLANATORY NOTES

- Separate Education Improvement Act (EIA) Special Revenue Fund to be shown in the supplementary schedules due to the monitoring and audit requirements mandated by the South Carolina General Assembly. (p. ix)
- Accounting procedures for EIA Summer School Program (p. ix)
- EIA Compliance (p. xi)
    - Teacher Incentive Pay Program (Subfund 360, 361)
    - Principal Incentive Pay Program (Subfund 358, 359)
    - School Incentive Reward Program (Subfund 387, 388)
    - Assist Teachers with Paperwork (Subfund 370) Funding
    - In-Service Teacher Training (Subfund 365)
- Reporting of Fringe Benefits (Account 3180) (p. xv)
- Separate Target 2000 Special Revenue Fund to be shown in the supplementary schedules due to the monitoring and audit requirements mandated by the South Carolina General Assembly. (p. xv)
- Special Revenue Fund Project Schedules (p. xvi)
- Revisions to Government Auditing Standards (p. xvi)
- Changes in SDE Financial Account Numbers (p. xvii)
- Compliance Supplement section on FEMA (CFDA 83.516) and Impact Aid - Disaster Assistance (CFDA 84.041) compliance audit requirements (p. xviii)
- New schedule to report deferred revenue in EIA Fund and Target 2000 Fund (p. xviii)
- Frequently encountered problems in district audits (p. xix)

EXPLANATORY NOTES

The Education Improvement Act (EIA) of 1984 created a new addition to the Special Revenue Fund. Due to the monitoring and audit requirements mandated by the South Carolina General Assembly, it is necessary that this program be shown in the supplementary schedules as a separate Education Improvement Act Special Revenue Fund as provided in Section 7. It is also necessary to account for EIA summer school in a manner which varies from traditional theoretical accounting.

ACCOUNTING FOR EIA SUMMER SCHOOL - 1990

Only two EIA subfunds will operate during Summer School - Gifted and Talented (Subfund 320) and Basic Skills Remedial/Compensatory Instruction (Subfund 345 & 347). Expenditures for these summer school programs will be recorded in the following accounts:

174 Gifted and Talented Summer School. Special learning experiences for pupils identified as being gifted or talented. This program is operated during the summer outside the regular school term.

175 Compensatory Education (1-6) Summer School. A sequential reading and mathematics program designed to improve identified deficiencies of students in grades one through six (scoring in the lower quartile on the CTBS or the equivalent on the BSAP). This program is operated during the summer outside the regular school term.

177 Remedial Education (7-12) Summer School. Remedial instruction programs for students in grades seven through twelve who fail to meet required minimum standards of achievement in the basic skills of reading, writing, and mathematics. This program is operated during the summer outside the regular school term.

Because summer school extends into two fiscal years, under traditional accounting procedures, these transactions would be separated into the appropriate fiscal year. However, **both revenues and expenditures for the entire summer school are to be combined and reported in the first fiscal year.** For instance, the entire amounts for a summer school conducted in June, July and August of 1990 would be recorded in the **1989-90 fiscal year**. For actual payments in July and August, invoices for goods and services received prior to July 1 will be required in the audit process. However, if a summer school program is allowable under a particular subfund, invoices for goods and services received prior to August 31 will be acceptable, although the expenditures should be accrued in the previous year. This policy is consistent with the State Department of Education's interpretation of the AICPA Industry Audit Guide on "Audits of Colleges and Universities.

This procedure would require that all revenues and expenditures for July and August be applied in the previous fiscal year. Example of transactions are detailed for your review.

Transactions During June

1.	Received from the State in Compensatory Funds	$20,000
2.	Paid Compensatory Salaries	18,500
3.	Paid Supplies	4,500

Transactions During July and August

4.	Received from the State in Compensatory Funds	$30,000
5.	Paid Compensatory Salaries	20,000
6.	Paid Supplies	7,000

Journal Entries During June

			Debit	Credit
1.	345-140-000	County Treasurer	$20,000	
	345-354-500	EIA Compensatory Ed.-Revenue		$20,000
2.	345-175-110	Compensatory Ed.-Salaries	18,500	
	345-101-000	Cash		18,500
3.	345-175-410	Compensatory Ed.-Supplies	4,500	
	345-101-000	Cash		4,500

Adjusting Entries at Fiscal Year-End

			Debit	Credit
4.	345-143-000	Due from State Gov't	30,000	
	345-354-500	EIA Compensatory Ed.-Revenue		30,000
5.	345-175-110	Compensatory Ed.-Salaries	20,000	
	345-460-000	Accrued Salaries		20,000
6.	345-175-410	Compensatory Ed.-Supplies	7,000	
	345-402-000	Accounts Payable		7,000

July and August Transactions

			Debit	Credit
7.	345-140-000	Due from County Treasurer	30,000	
	345-143-000	Due from State Gov't		30,000
8.	345-460-000	Accrued Salaries	20,000	
	345-101-000	Cash		20,000
9.	345-402-000	Accounts Payable	7,000	
	345-101-000	Cash		7,000

EIA COMPLIANCE

There is only one compliance requirement which the independent auditor is responsible for testing in relation to the Education Improvement Act. The revenue for each EIA strategy (Subfund) must be expended within that strategy by the end of the same fiscal year when received. The Act requires that *"any line appropriation not fully expended* *for any program shall revert to the fund."* Accrued expenditures must at least equal the earned revenue for each EIA strategy, and any unexpended EIA funding must be reported on the balance sheet as a "Due to State." It must also be included in the Detailed Schedule of Due to State Department of Education/Federal Government Schedule. More specific information is provided to the districts on EIA funding levels and allowable expenditures in the 1989-90 Funding Manual published by the S. C. Department of Education.

However, the South Carolina General Assembly extended the time period for expending EIA funds by twelve (12) months in the Teacher Incentive Pay Program (Subfund 360/361), Principal Incentive Pay (Subfund 358/359) and School Incentive Reward Program (Subfund 387/388). The following are examples of the accounting transactions to record unexpended revenue to be carried over:

A. For **FY 1989-90:**

Subfund	Revenue Account	Account Description
360	**3560**	**Teacher Incentive Pay Program**

		Debit	Credit
Record Revenue (Example)			
360-140-000	Due from County Treasurer	100,000	
360-3561-00	Teacher Incentive Pay Program		100,000
Record Expenditure (Example)			
360-262-110	Plan., Res., Dev.-Salaries	70,000	
360-262-410	Plan., Res., Dev.-Supplies	10,000	
360-100-000	Cash		80,000
Record Carry-Over (Example)			
360-3561-00	Teacher Incentive Pay Program	20,000	
360-474-000	Revenues Collected in Advance		20,000

B. For **FY 1990-91:**

Record Carry-Over (Example)			
360-474-000	Revenues Collected in Advance	20,000	
360-3561-00	Teacher Incentive Pay Program		20,000

Record Expenditures of Carry-Over Funds (Example)

360-262-690	Plan.,Res.,Dev.-Other Obj.	20,000	
360-100-000	Cash		20,000

Record Revenue for FY 1990-91
(Example: Note change in subfund and revenue account numbers)

Subfund	Revenue Account	Account Description
361	**3561**	**Teacher Incentive Pay Program**

		Debit	Credit
361-140-000	Due from County Treasurer	150,000	
361-3560-00	Teacher Incentive Pay Program		150,000
Record Expenditure (Example)			
361-262-110	Plan., Res., Dev.-Salaries	86,000	
361-262-410	Plan., Res., Dev.-Salaries	24,000	
361-262-690	Plan.,Res.,Dev.-Other Obj.	18,000	
361-100-000	Cash		128,000
Record Carry-Over to FY 1991-92 (Example)			
361-3560-00	Teacher Incentive Pay Program	22,000	
361-474-000	Revenues Collected in Advance		22,000

Principal Incentive Pay (Subfund 358/359)

The accounting procedures used for Teacher Incentive Pay Program also apply to the Principal Incentive Pay Program Subfund 359. For revenue received from the Department of Education in Fiscal Year 1989-90, Subfund 358, revenue code 3558 will be utilized. For revenue received in FY 1990-91, the Subfund and revenue code numbers used in Fiscal Year 1988-89 (Subfund 359, revenue code 3559) will again apply and alternate each year thereafter.

School Incentive Reward Program (Subfund 387/388)

The procedures discussed above also apply to Subfund 387, revenue code 3587-School Incentive Reward Program. For revenue received from the State

Department of Education in Fiscal Year 1989-90, Subfund 387, revenue code 3587 will be utilized. For revenue received in FY 1990-91, the Subfund and revenue account numbers used in Fiscal Year 1988-89 (Subfund 388, revenue code 3588) will again apply and alternate each year thereafter.

School Building Aid (Subfund 390)

The School Building Aid (Subfund 390) continues to be carried forward for a four-year period at which time there is a reconciliation of funds received and expended. There is no change in the method of accounting for these funds.

Teacher Salary Increase (Subfund 350)

Additional guidance for revenues and expenditures in this Strategy (Subfund 350) is provided in a memorandum from the Director of Finance dated June 6, 1989 (Appendix D).

Assist Teachers with Paperwork (Subfund 370)

Additional guidance for revenues and expenditures in this Strategy (Subfund 370) is provided in a memorandum from the Director of Finance dated June 6, 1989 (Appendix D).

In-Service Teacher Training (Subfund 365)

The S. C. General Assembly extended the time period for expending in EIA funds for staff development for school districts in a county which was declared a federal disaster area during FY 1989-90. These School districts are authorized to carry forward any unexpended balance on June 30, 1990 in In-Service Teacher Training (Subfund 365). Funds must be expended for the same purpose during FY 1990-91.

REPORTING OF FRINGE BENEFITS (REVENUE CODE 3180)

The method of funding fringe benefits was changed for the 1987-88 fiscal year. The draft method of funding fringe benefits is no longer being used by the State Department of Education. Funding is now provided directly to the school districts. THE 1989-90 FISCAL YEAR fringe benefits are to be reported in the function in which the appropriate salary is being recorded. More specific information for reporting purposes is provided in a memorandum from the Director of Finance dated September 30, 1988 (Appendix E).

TARGET 2000 SPECIAL REVENUE FUND

The South Carolina General Assembly enacted legislation to establish the "Target 2000 School Reform For the Next Decade" Act. Separate monitoring and auditing requirements are necessary in order to provide a report to the General Assembly of allocations and expenditures related to the Act. As a result, it is necessary that this program be shown in supplementary schedules as a separate Target 2000 Special Revenue Fund as provided for in Section 8.

Initial accounting information for this fund was provided in a memorandum from the Department's Director of Finance dated January 17, 1990 (Appendix F). More specific information is provided to the districts on Target 2000 funding levels and allowable expenditures in the 1989-90 Target 2000 Funding Manual Supplement published by the S. C. Department of Education.

The S. C. General Assembly extended the time period for expending Target 2000 funding allocated to the district and schools in the 1989-90 Fiscal Year. To the extent that carry-forward can be justified, school districts are authorized to carry forward unexpended funds in all initiatives to fiscal year 1990-91.

SPECIAL REVENUE FUND - PROJECT SCHEDULES

As part of the Department's oversight procedures, all projects reported in the Special Revenue Fund are reviewed as individual projects. Although there may be several projects under one program (e.g. Vocational Education) or one revenue code (4990), each project must be reported separately by project number or revenue code.

In addition to reporting federally funded projects in individual schedules, they must also be reported by project in the Schedule of Federal Financial Assistance. Having each project reported separately by program is necessary for the Department's analysis of State and Federal Programs (see Schedule of Federal Financial Assistance Format p. 15.3).

REVISIONS TO GOVERNMENT AUDITING STANDARDS

The 1988 revisions to the Government Auditing Standards by the U. S. General Accounting Office (GAO) became effective for audits starting January 1, 1989. In addition to these revisions, the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA) has issued new authoritative guidance for auditors who perform governmental audits.

Some of these Statements on Auditing Standards (SAS) include the following SASs:

SAS 53	The Auditor's Responsibility to Detect and Report Errors and Irregularities
SAS 54	Illegal Acts by Clients
SAS 55	Consideration of the Internal Control Structure in a Financial Statement Audit
SAS 58	Reports on Audited Financial Statements
SAS 60	Communication of Internal Control Structure Related Matters Noted in an Audit

SAS 61	Communication with Audit Committees
SAS 62	Special Reports
SAS 63	Compliance Auditing Applicable to Governmental Entities and Other Recipients of Governmental Financial Assistance

The revised GAO Standards, as well as AICPA standards, which have been incorporated into Generally Accepted Government Auditing Standards (GAGAS), have been adopted fully as standards for audits conducted of State and Federal funds. Additional information is provided in the Internal Control and Compliance Section (Section 16).

CHANGES IN ACCOUNT NUMBERS

The following changes have been made in financial account numbers which affect the 1989-1990 audit report:

GENERAL FUND

Add:

Revenues:	1967	Transfer from Other Funds - Indirect Costs
	3340	Enhancement Allocation

SPECIAL REVENUE FUND

Add:

Revenues:	1935	Receipt of Insurance & Legal Settlements
	3190	Other Restricted Grants
	3990	Other State Revenue
	4160	Impact Aid-Maint. & Operations Disaster Aid
	4993	FEMA Disaster Assistance
Expenditures:	253-100 through 253-400	
	253-510	Land
	253-520	Buildings
	253-530	Improvements Other Than Buildings
	253-600	Other Objects

EIA FUND

Add:

Revenues:	3567	School Flexibility Grants

Delete:

Revenues:	3557	School Administrator's Evaluation

TARGET 2000 SPECIAL REVENUE FUND

Accounts added as a result of Target 2000 are provided in the example of supplementary schedules, Section 8.

FOOD SERVICE FUND

Add:

Revenues:	4820	Special Milk Program

SCHOOL BUILDING FUND

Add:

Revenues:	3171	State School Building Aid Supplement

ADDITION OF COMPLIANCE SUPPLEMENT INFORMATION

As a result of Hurricane Hugo, a number of school districts received federal assistance through the Federal Emergency Management Agency (FEMA) (CFDA 83.516) and the School Assistance in Federally Affected Areas Program (Impact Aid/Disaster Aid) (CFDA 84.041) for disaster assistance. A copy of the compliance requirements outlined in the *Compliance Supplement for Single Audits of State and Local Governments* for the two programs have been included in section 17.

DETAILED SCHEDULE OF DEFERRED REVENUE

In The Education Improvement Act and Target 2000 School Reform for the Next Decade Funds

The South Carolina Department of Education requires a detailed schedule of balance sheet accounts of an LEA recorded as deferred revenue in the EIA Fund or the Target 2000 Fund for those subfunds which have carryover provisions. (p. 14.1)

FREQUENTLY ENCOUNTERED PROBLEMS IN AUDIT REPORTS

The following is a list of problem areas frequently noted during the desk review process:

General Requirements

- Notes to Financial Statements lack disclosures of pending lawsuits/litigation in prior/current period, differences in balances, status of prior year audit findings...
- The Schedule of Findings and Questioned Costs indicating there are no findings or questioned costs is not included in the report.
- District Corrective Action Report/Plan is not provided with the audit report when material noncompliance or material internal control weaknesses are reported.

Supplementary Schedules

- Audit fees not segregated in Account 231-318, in the General Fund.
- Inclusion of EIA Fund and Food Service Fund in the Combining Schedule of Revenues and Expenditures for the Special Revenue Fund.
- All projects in Special Revenue Fund not reported separately by project number (Vocational Education, etc.).
- Incorrect/invalid use of account numbers in recording revenues and expenditures.
- Incorrect/invalid use of account numbers for interfund transfers.
- Incorrect reporting of Teacher Incentive Pay Program 360/361 and Principal Incentive Pay 358/359 in EIA Fund.
- Not recording EIA School Building Aid (Subfund 390) directly to EIA Special Revenue Fund and subsequent transfer to the appropriate fund (Debt Service Fund or School Building Fund).
- Improper use of object level detail for expenditures in the Food Service and School Building Funds.
- In the Food Service Fund, commodities revenue (4991) should equal expenditure amount (256-461).
- Schedule of Due to State Department of Education/Federal Government should include **all** funds (**STATE and FEDERAL**) that are to be reimbursed. If there are no funds due, the schedule should be submitted with statement that no funds are due to state/federal government.

OMB A-128 Reports

- Compliance Report Major/Nonmajor.

  Improper determination of major/nonmajor programs. In the Food Service Fund, total expenditures, regardless of source or CFDA number, should be considered in determining major/nonmajor.

- Internal Control (Accounting and Administrative) Report.

  Not listing administrative controls studied/evaluated.

  Incorrect percentage of federal funds that make up major programs.

  Not identifying nonmajor programs studied/evaluated to reach 50% of federal financial assistance, etc.

- Improper format of Federal Financial Assistance Schedule.

The following is a list of problem areas frequently noted during quality control reviews (QCR's):

- Lack of engagement letter. Although not required, the engagement letter ensures a complete understanding by LEA and Auditor of audit requirements and work to be performed.
- Working papers do not document testing/evaluation of Food Service commodities program.
- Lack of conclusions/commentaries of work in significant areas of audit work performed.
- Working papers do not support findings of general accounting weaknesses reported in the audit report/management letter.
- Lack of documentation in the working papers of internal control/compliance reviews.
- No evidence of sampling design, size, or procedures used to determine test sample.

REVENUE CONFIRMATION

A "liftable" information letter (Superintendent's Authorization for Release of Data) is included in Appendix A. This document, upon submission, will ensure that the independent auditor obtains information directly from the South Carolina Department of Education to verify payments to the LEA.

AUDIT REQUIREMENTS

AUDIT REQUIREMENTS

In 1984, the United States Congress, concerned about fiscal responsibility and management of the 100 billion dollars annually dispersed by the Federal government, passed the Single Audit Act. In April 1985, the Office of Management and Budget (OMB) issued Circular A-128 establishing audit requirements of the Single Audit Act for state and local governments that receive and administer federal assistance. As a result, the State Department of Education has assumed responsibilities as the cognizant agency for federal funds received and passed on by the Department.

The South Carolina Department of Education will monitor the requirements of the Single Audit Act and OMB Circular A-128 by the following:

1. Ensuring that audits are made and reports received in a timely manner in accordance with OMB Circular A-128.
2. Providing technical advice and liaison to local school districts, other entities and independent auditors.
3. Making quality control reviews of selected audits made by independent certified public accountants and providing the results when appropriate to other interested organizations.
4. Informing affected federal agencies and appropriate federal law enforcement officials of any reported illegal acts or irregularities. Informing State or local law enforcement and prosecuting authorities, if not advised by the recipient, of any violation of law within their jurisdiction.
5. Advising the auditee if their audit has not met the requirements of OMB Circular A-128. Monitoring corrective action to ensure audit reports meet requirements. Major inadequacies or repetitive substandard performance of independent auditors will be referred to the State Board of Accountancy or to the appropriate agency.
6. Coordinating, to the extent practical, audits made by or for federal agencies that are in addition to the audits made pursuant to OMB Circular A-128.
7. Overseeing the resolution of audit findings.

The auditor who performs the audit should understand clearly that the Single Audit Act and Circular A-128 audit requirements apply to those funds which are totally or supplementary supported by federal funds. Circular A-128 requires opinions and comments which go beyond the standard opinions and comments usually presented in audit reports. Therefore, all programs which are totally or supplementary supported by federal funds must be segregated in the Special Revenue Fund except for food service which maintains its own identity.

AUDIT REPORTS

The audit reports prepared at the completion of the audit must not only meet the requirements of the Single Audit Act, but must also serve the needs of the South Carolina Department of Education as described in the Defined Minimum Program (DMP) for South Carolina Public School Districts. The DMP was approved by a joint resolution of the South Carolina General Assembly and ratified on June 5, 1980.

THREE COPIES of the audit report must be received by the SDE by **DECEMBER 1** following the close of the fiscal year.

In accordance with Paragraph 13 of OMB Circular A-128, the SDE will review audit reports as to whether:

1. The audit includes the independent auditor's report on financial statements and on a schedule of Federal financial assistance.
2. The audit includes general purpose financial statements and supplemental schedules including a schedule of Federal financial assistance showing the total expenditures for each federal assistance program as defined in the Catalog of Federal Domestic Assistance.
3. The audit includes the auditor's reports on the study and evaluation of internal control systems.
4. The audit includes the auditor's reports on compliance.
5. A separate written report is submitted covering fraud, abuse, or illegal acts or indications of such acts. (*This is to be submitted only if such abuses or acts are detected.*)
6. The LEA submits a separate corrective action report with the audit regarding the independent auditor's findings and recommendations.

Recommended sources and documents which will assist in the audit are as follows:

General Accounting Office (GAO)

Generally Accepted Governmental Auditing Standards (GAGAS), Government Auditing Standards, 1988 Revision

Office of Management and Budget (OMB)

Circular A-87, "Cost Principles Applicable to Grants and Contracts with State and Local Governments"

Circular A-102, "Uniform Administrative Requirements for Grants in Aid to State and Local Governments"

Circular A-128, "Audits of State and Local Governments"

Compliance Supplement for Single Audits of State and Local Governments, Revised April 1985

Catalog of Federal Domestic Assistance

American Institute of Certified Public Accountants (AICPA)

Generally Accepted Auditing Standards (GAAS) Codification of Statements on Auditing Standards, (Latest Edition)

Audits of State and Local Governmental Units, with Amendment dated August 11, 1989

Governmental Accounting Standards Board (GASB)

Codification of Governmental Accounting and Financial Reporting Standards, (Latest Edition)

Examples of the uniform reporting format for supplemental schedules as allowed by the Single Audit Act and the DMP are reflected on the following pages of the audit guide.

ILLUSTRATIVE TABLE OF CONTENTS

The following example lists the reports, statements, and supplemental information that are required as part of the audit report:

Any School District
General Purpose Financial Statements and Supplemental information
For the Fiscal Year Ended June 30, 19XX
Table of Contents

- Report of Independent Auditor on General Purpose Financial Statements

General Purpose Financial Statements

- Combined Balance Sheet - All Fund Types and Account Groups
- Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - All Governmental Fund Types
- Combined Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual - General and Special Revenue Fund Types
- Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Equity - All Proprietary Fund Types

- Combined Statement of Changes in Financial Position - All Proprietary Fund Types
- Notes to Financial Statements

Supplemental Information (With Required Account Numbers)

- General Fund, Schedule of Revenues, Expenditures, and Changes in Fund Balance
- Special Revenue Fund, Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
- Special Revenue Fund, Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual by Project
- Special Revenue Fund, Education Improvement Act, Schedule of Revenues, Expenditures, and Changes in Fund Balance by Strategy (Subfund)
- Special Revenue Fund, Target 2000, Schedule of Revenues, Expenditures, and Changes in Fund Balance by Initiative
- Debt Service Fund, Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (Optional) and Actual
- School Building Fund, Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (Optional) and Actual
- Food Service Fund, Schedule of Revenues, Expenses, and Changes in Retained Earnings/Fund Equity - Budget (Optional) and Actual
- Pupil Activity Fund, Schedule of Receipts, Disbursements, and Changes in Fund Balance - Budget (Optional) and Actual
- Detailed Schedule of Due to State Department of Education/Federal Government
- Detailed Schedule of Deferred Revenue
- Schedule of Federal Financial Assistance

Auditor's Reports on Other Matters

- Report on Supplementary Information - Schedule of Federal Financial Assistance
- Compliance Report Based on an Audit of General Purpose or Basic Financial Statements Performed in Accordance with Government Auditing Standards

- Reports on compliance with laws and regulations related to Federal Financial Assistance Programs as follows:

  Single Audit Opinion on Compliance with *SPECIFIC REQUIREMENTS* Applicable to *MAJOR* Federal Financial Assistance Programs

  Single Audit Report on Compliance with the *GENERAL REQUIREMENTS* Applicable to *MAJOR* Federal Financial Assistance Programs

  Single Audit Report on Compliance with Requirements Applicable to *NONMAJOR* Federal Financial Assistance Program Transactions*

  > *This report would be used if the auditor has selected *NONMAJOR* federal financial assistance program transactions, or if the entity has *NO MAJOR* programs.

- Schedule of Findings and Questioned Costs

- Report on the Internal Control Structure in Accordance with Government Auditing Standards

- Report on Internal Controls (Accounting and Administrative) - Based on a Study and Evaluation Made as a Part of an Audit of the General Purpose or Basic Financial Statements and the additional Tests required by the Single Audit Act

FUND CLASSIFICATIONS

The descriptions that follow describe the funds that are most commonly used by South Carolina Public School Districts.

1.	General Fund	Accounts for all financial resources of the LEA except for those required to be accounted for in another fund.
2.	Special Revenue Fund	Accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.
3.	Special Revenue Fund Education Improvement Act	Accounts for the proceeds of the additional one per cent Sales and Use Tax which are restricted to expenditures for the Education Improvement Act standards.

4.	Special Revenue Fund Target 2000	Accounts for specific revenue sources that have been allocated to fund the "Target 2000 School Reform for the Next Decade" and to provide details of the funding levels and allowable expenditures of the Act.
5.	Capital Projects Fund	Accounts for financial resources used to acquire or construct major capital facilities (other than those of proprietary and trust funds.) The most common sources of revenue in this fund would be the sale of bonds and State Building Fund Aid.
6.	Debt Service Fund	Accounts for the accumulation of resources for and the payment of general long-term debt, principal, and interest.
7.	Proprietary Fund	Accounts for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, depreciation and indirect costs) of providing goods or services to the students or general public on a continuing basis are financed or recovered through user fees. *School Food Service has been determined to be in this category*.
8.	Trust and Agency Fund	Accounts for assets held by an LEA in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds could include Pupil Activity Funds.
9.	General Fixed Assets	An Account Group used to record the cost of all property, plant and equipment other than those accounted for in proprietary funds. General fixed assets should include sites, site improvements, buildings and building improvements, machinery and equipment.

10.	General Long-Term Debt	An Account Group used to record the principal amount of all long-term liabilities excluding those of the proprietary fund. The long-term liabilities could include general obligation bonds, capitalized lease obligations, legal judgements, unfunded pension liabilities, and notes and warrants which are not due within one year.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

The primary objective of any examination of the financial statements of a governmental entity by an independent auditor is the expression of an opinion. This is reinforced in GAO's Government Auditing Standards, 1988 Revised, which states financial audits shall determine "*whether the financial statements of the audited entity present fairly the financial position, results of financial operations and cash flows or changes in financial position, in accordance with generally accepted accounting principles...*"

The financial report of an LEA includes a wide variety of detailed financial information, in addition to the basic financial statements. The types of additional information included are supplemental financial statements, schedules, and other data. The auditor must determine how to report on the additional information based on the scope of the auditor's examination, the nature of the additional information, and whether the information is included in a client prepared or audit submitted document.

Examples of both unqualified and qualified opinions on general purpose financial statements presented with supplementary schedules are illustrated in the Statement of Position 89-6, Amendment dated August 11, 1989 to the AICPA's Audits of State and Local Governmental Units, 1986 Edition. The auditor should also refer to Statement on Auditing Standards (SAS) 58 Reports on Audited Financial Statements, for detailed information on the Independent Auditor's Report.

GENERAL PURPOSE FINANCIAL STATEMENTS

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 19X2

	Governmental Fund Types			
	General	Special Revenue	Debt Service	School Building
CURRENT ASSETS				
Cash				
Petty Cash				
Cash Change Funds				
Cash with Fiscal Agent				
Taxes Receivable				
Est. Uncollectable Tax Liens (Credit)				
Tax Liens Receivable				
Accounts Receivable				
Bonds Proceeds Receivable				
Due From General Fund				
Due From Special Revenue Fund				
Due From Debt Service Fund				
Due From School Building Fund				
Due From Food Service Fund				
Due From Pupil Activity Fund				
Due From County Government				
Due From State Dept. of Education				
Due From Other State Agencies				
Due From Federal Government				
Interest Receivable on Investment				
Accrued Int. on Ivestments Purchased				
Food Service Supplies				
Commodities				
Purchased Food				
Inventory				
Inventory of Stores for Resale				
Investments				
Unamortized Premiums on Investments				
Unamortized Discounts on Inv. (Credit)				
Deposits				
Prepaid Expenses				
Unamortized Discounts on Bonds Sold				
Other Current Assets				
GENERAL FIXED ASSETS				
Land				
Buildings				
Improvements Other than Buildings				
Equipment				
Construction Work in Progress				

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	Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	Food Service	Pupil Activity	General Fixed Assets	Long Term Debt	19X2	19X1

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 19X2

	Governmental Fund Types			
	General	Special Revenue	Debt Service	School Building
OTHER DEBITS				
Bonds Authorized - Unissued				
Amount Available in Debt Service Fund				
Amnount to be Provided for Pmt. of Bonds				
TOTAL ASSETS				
CURRENT LIABILITIES				
Vouchers Payable				
Accounts Payable				
Judgements Payable				
Contracts Payable				
Con. Contracts Payable				
Con. Contracts Payable - Retained Per.				
Due to General Fund				
Due to Special Revenue Fund				
Due to Debt Service Fund				
Due to School Building Fund				
Due to Food Service Fund				
Due to Pupil Activity Fund				
Due to County Government				
Due to State Dept. of Education				
Due to Other State Agencies				
Due to Federal Government				
Matured Bonds Payable				
Matured Interest on Bonds Payable				
Matures Notes Payable				
Matured Interest on Notes Payable				
Social Security Withholdings				
Federal Income Tax Withholdings				
State Income Tax Withholdings				
Retirement Deductions				
Health Insurance Deductions				
Life Insurance Deductions				
Credit Union Deductions				
Other Deductions				
Accured Salaries				
Other Accured Expenses				
Deposits Payable				
Due to Fiscal Agent				

	Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	Food Service	Pupil Activity	General Fixed Assets	Long Term Debt	19X2	19X1

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 19X2

	Governmental Fund Types			
	General	Special Revenue	Debt Service	School Building
Unamortized Premiums on Bonds Sold				
Revenues Received in Advance/Deferred Revenue				
Accrued Social Security				
Employees Retirement Payable				
Unemployment Compensation Payable				
Other Current Liabilities				
LONG TERM LIABILITES				
Bonds Payable				
Notes Payable				
RESERVES AND FUND BALANCE				
Reserve for Encumbrances				
Reserve for Inventory				
Reserve for Special Purposes				
Fund Balance				
Investments in General Fixed Assets				
TOTAL LIABILITIES, RESERVES AND FUND BALANCE				

	Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	Food Service	Pupil Activity	General Fixed Assets	Long Term Debt	19X2	19X1

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 19X2

	Governmental Fund Types				Totals (Memorandum Only)	
	General Fund	Special Revenue	Debt Service	School Building	19X2	19X1
Revenues:						
Local						
State						
Federal						
Total Revenue						
Expenditures:						
Instruction						
Support Service						
Capital Outlay						
Community Service						
Debt Service						
Total Expenditures						
Excess Revenue Over (Under) Expenditures						
Other Financing Sources						
Operating Transfers In						
Operating Transfers Out						
Excess Revenue and Other Sources Over (Under) Expenditures						
Fund Balance July 1, 19X1						
Fund Balance June 30, 19X2						

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 19X2

	General Fund			Special Revenue Fund Types		
	Budget	Actual	VARIANCE FAVORABLE (UNFAVORABLE)	Budget	Actual	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:						
Local						
State						
Federal						
Total Revenue						
Expenditures:						
Instruction						
Support Services						
Community Services						
Total Expenditures						
Excess Revenues Over (Under) Expenditures						
Other Financing Sources (Uses)						
Operating Transfers In						
Operating Transfers Out						
Total Other Financing Sources (Uses)						
Fund Balance July 1, 19x1						
Fund Balance June 30, 19x2						

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 19X2

PR0PRIETARY FUND TYPES

		Totals (Memorandum Only)	
	Food Service	19X2	19X1
Operating Revenues:			
Proceeds Sale of Meals			
USDA Reimbursements			
Sales to Other Funds			
Total Operating Revenues			
Operating Expenses:			
Food Costs			
Salaries and Wages			
Utilities			
Depreciation			
Supplies			
Other			
Total Operating Expenses			
Operating Income (Loss)			
Non Operating Revenues (Expenses):			
Interest			
Commodities Received from USDA			
Other Federal and State Aid			
Other Income			
Total Non Operating Revenue (Expenses)			
Income before Operating Transfer			
Operating Transers In (Out)			
Net Income			
Retained Earnings/Fund Balance at Beginning of Year			
Retained Earnings/Fund Balance at End of Year			

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COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 19X2

PROPRIETARY FUND TYPES

		Totals (Memorandum Only)	
	Food Service	19X2	19X1
Sources of Working Capital:			
Operations:			
Net Income			
Add Back Items Not Requiring Working Capital			
Working Capital Provided by operations			
Total Sources of Working Capital			
Uses of Working Capital:			
Total Uses of Working Capital			
Net Increase (Decrease) in Working Capital			

SCHEDULE - GENERAL FUND

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
1000 Revenue from Local Sources			
1100 Taxes:			
1110 Levies for Current Operations			
1130 Delinquent Taxes			
1190 Other Taxes			
1200 Revenue From Local Governmental Units Other Than LEA's			
1300 Tuition:			
1310 Regular Day School From Patrons			
1320 Regular Day School From Other LEA's			
1330 Adult/Continuing Ed. From Patrons			
1340 Adult/Continuing Ed. From Other LEA's			
1350 Summer School From Patrons			
1360 Summer School From Other LEA's			
1400 Transportation Fees:			
1410 Regular Day School			
1420 Summer School			
1500 Earnings on Investments:			
1510 Interest on Investments			
1520 Dividends on Investments			
1530 Gain or Loss on Sales of Investments			
1900 Other Revenue From Local Sources:			
1910 Rentals			
1920 Contributions & Donations Private Sources			
1930 Sale of Fixed Assets			
1935 Receipt of Insurance & Legal Settlements			
1950 Refund of Prior Year's Expenditures			
1990 Miscellaneous			
Total Local Sources			
2000 Revenue From Intermediate Sources			
2100 County Equalization Tax			
2200 Appropriations			
2300 Revenue in Lieu of Taxes			
2400 Other Intermediate Revenue			
Total Intermediate Sources			

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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
3000 Revenue From State Sources			
3130 Special Programs:			
3131 Handicapped Transp. & Facilities Constr.			
3132 Home Instruction			
3150 Adult Education:			
3151 Basic			
3152 Secondary			
3160 School Bus Driver's Salary			
3180 Fringe Benefits Employer Contributions			
3190 Other Restricted Grants			
3200 Unrestricted Grants			
3220 Attandance Supervisor's Salary			
3290 Other Unrestricted Grants			
3300 Education Finance Act			
3310 Full-Time Programs:			
3311 Kindergarten			
3312 Primary			
3313 Elementary			
3314 High School			
3315 Trainable Mentally Handicapped			
3316 Speech Handicapped			
3317 Homebound			
3320 Part-Time Programs:			
3321 Emotionally Handicapped			
3322 Educable Mentally Handicapped			
3323 Learning Disabilities			
3324 Hearing Handicapped			
3325 Visually Handicapped			
3326 Orthopedically Handicapped			
3327 Vocational			

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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
3340 Enhancement Allocation			
3990 Other State Revenue			
3991 Implementation of Act 187			
3992 State Forest Commission Revenues			
Total State Sources			
4000 Revenue From Federal Sources			
4100 Federally Impacted Areas:			
4110 Maintenance & Operations (P. L. 874)			
4400 Adult Education:			
4410 Basic			
4420 Secondary			
4490 Other			
Total Federal Sources			
TOTAL REVENUE ALL SOURCES			
EXPENDITURES			
100 INSTRUCTION			
110 General Instruction			
111 Kindergarten Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
112 Primary Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
113 Elementary Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
114 High School Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other objects			
115 Vocational Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services - Other Than Tuition			
370 Purchased Ser.-Tuition			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
120 Exceptional Programs			
121 Educable Mentally Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other objects			
122 Trainable Mentally Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
123 Orthopedically Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
124 Visually Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
125 Hearing Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
126 Speech Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
127 Learning Disabilities:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
128 Emotionally Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
129 Homebound:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

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ANYWHERE SCHOOL DISTRICT
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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
140 Special Programs			
141 Gifted and Talented - Academic:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
142 Disadvantaged:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
143 Compensatory Education:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
145 Remedial Education:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
148 Gifted and Talented - Artistic:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
149 Other Special Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
150 District-wide General/Exceptional:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
170 Summer School Program			
171 Primary Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
172 Elementary Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
173 High School Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
174 Gifted and Talented Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
175 Compensatory Education Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
177 Remedial Education Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
180 Adult/Continuing Educational Programs			
181 Adult Basic Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
182 Adult Secondary Program:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
184 Post Secondary Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other objects			
185 Vocational Adult:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
187 Adult Education - Remedial:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
TOTAL INSTRUCTION			

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
200 SUPPORTING SERVICES			
210 Pupil Services			
211 Attendance and Social Work:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
212 Guidance:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
213 Health:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
214 Psychological:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
215 Speech and Hearing:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
216 Placement:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
220 Instructional Staff Services			
221 Improvement of Instruction:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
222 Educational Media:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
223 Supervision of Special Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
230 General Administration Services			
231 Board of Education:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
318 Audit Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other objects			
232 Office of Superintendent:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other objects			
233 School Administration:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
250 Finance and Operations Services			
252 Fiscal Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
254 Operation and Maintenance of Plant Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
255 Pupil Transportation Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
256 Food Service:			
200 Employ Benefits			
257 Internal Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
260 Central Support Services			
262 Planning, Research, Development & Evaluation:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

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ANYWHERE SCHOOL DISTRICT
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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
263 Information Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
264 Staff Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
265 Statistical Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
266 Data Processing Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
TOTAL SUPPORTING SERVICES			
300 COMMUNITY SERVICES			
320 Recreation:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
330 Civic:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

BEST COPY AVAILABLE

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
340 Public Library:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other objects			
350 Custody and Care of Children Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
360 Welfare:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
370 Non-Public School Pupils Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
390 Other Community Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
TOTAL COMMUNITY SERVICES			
500 DEBT SERVICE:			
350 Advertising			
610 Redemption of Principal			
620 Interest			
630 Discount on Bonds Sold			
640 Dues and Fees			
TOTAL DEBT SERVICE			
TOTAL EXPENDITURES			

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES)			
Transfers, From (to) Other Funds:			
1961 Transfer from Special Revenue Fund			
1962 Transfer from Special Revenue EIA Fund			
1963 Transfer from Debt Service Fund			
1964 Transfer from School Building Fund			
1965 Transfer from Food Service Fund			
1967 Transfer from Other Funds Indirect Costs			
1968 Payments from Other Governmental Units			
411-720 Payments to State Department of Education			
412-720 Payments to other Governmental Units			
421-710 Transfer to Special Revenue Fund			
422-710 Transfer to Special Revenue EIA Fund			
423-710 Transfer to Debt Service Fund			
424-710 Transfer to School Building Fund			
425-710 Transfer to Food Service Fund			
426-710 Transfer to Pupil Activity Fund			
427-710 Transfer to Target 2000 Fund			
TOTAL OTHER FINANCING SOURCES (USES)			
Excess/Deficiency of Revenues over Expenditures			
FUND BALANCE JULY 1, 19XX			
FUND BALANCE JUNE 30, 19XX			

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COMBINING SCHEDULE
SPECIAL REVENUE FUND

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	ADULT EDUCATION	CHAPTER I	CHAPTER II
REVENUES			
1000 Revenue From Local Sources			
1500 Earnings On Investments:			
1510 Interest on Investments			
1520 Dividends On Investments			
1530 Gain or Loss on Sale of Investments			
1900 Other Revenue From Local Sources:			
1910 Rentals			
1920 Contributions and Donations Private Sources			
1930 Sale of Fixed Assets			
1950 Refund of Prior Year's Expenditures			
1990 Miscellaneous			
Total Local Sources			
3000 Revenue From State Sources			
3100 Restricted Grants			
3110 Vocational:			
3111 Vocational Const. & Equipment			
3112 Nursing Program			
3113 12-Months (Ag.) Program			
3120 General Education:			
3122 Day Care			
3123 Guidance & Counseling			
3124 Drug Education			
3150 Adult Education			
3151 Basic			
3152 Secondary			
3190 Other Restricted Grants			
3990 Other State Revenue			
Total State Sources			

JTPA	OFFICE OF GENERAL EDUCATION	TITLE VI (HANDICAPPED)	VOCATIONAL EDUCATION	OTHER SPECIAL REVENUE PROGRAMS	TOTAL

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	ADULT EDUCATION	CHAPTER I	CHAPTER II
4000 Revenue from Federal Sources			
4100 Federally Impacted Areas:			
4110 Maintenance & Operations P. L. 874			
4120 Capital Outlay P. L. 815			
4130 Low Rent Housing P. L. 874			
4140 Handicapped P. L. 874			
4200 Vocational Education:			
4210 Vocational Aid/Sex Equity Grant			
4220 Construction & Equipment			
4230 Appalachia			
4290 Other			
4300 Elementary and Secondary Education Act of 1965:			
4310 Chapter I			
4340 Chapter II, Block Grant			
4390 Other			
4400 Adult Education			
4410 Basic			
4420 Secondary			
4490 Other			
4500 Education of Handicapped Act (P. L. 94-142 Title VI)			
4600 Emergency School Act (P. L. 92-318)			
4900 Other Federal Sources:			
4920 Drug Free Schools & Communities Act of 1986			
4921 Transition Program for Refugee Children			
4922 D. Eisenhower Mathematics and Science Education Act (DEMSEA)			
4923 Leadership in Educational Admin. Dev			
4930 Job Training Partnership Act (JTPA)			
4990 Other Federal Revenue			
4992 U. S. Forest Commission Revenues			
Total Federal Sources			
TOTAL REVENUE ALL SOURCES			

JTPA	OFFICE OF GENERAL EDUCATION	TITLE VI (HANDICAPPED)	VOCATIONAL EDUCATION	OTHER SPECIAL REVENUE PROGRAMS	TOTAL

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	ADULT EDUCATION	CHAPTER I	CHAPTER II
EXPENDITURES			
100 **INSTRUCTION**			
110 General Instruction			
111 Kindergarten Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
112 Primary Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
113 Elementary Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
114 High School Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other objects			
115 Vocational Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services - Other Than Tuition			
370 Purchased Services - Tuition			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

JTPA	OFFICE OF GENERAL EDUCATION	TITLE VI (HANDICAPPED)	VOCATIONAL EDUCATION	OTHER SPECIAL REVENUE PROGRAMS	TOTAL

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	ADULT EDUCATION	CHAPTER I	CHAPTER II
120 Exceptional Programs			
121 Educable Mentally Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other objects			
122 Trainable Mentally Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
123 Orthopedically Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
124 Visually Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
125 Hearing Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
126 Speech Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

JTPA	OFFICE OF GENERAL EDUCATION	TITLE VI (HANDICAPPED)	VOCATIONAL EDUCATION	OTHER SPECIAL REVENUE PROGRAMS	TOTAL

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	ADULT EDUCATION	CHAPTER I	CHAPTER II
127 Learning Disabilities:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
128 Emotionally Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
129 Homebound:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
131 Preschool Handicapped (5-Yr. Olds)			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
132 Preschool Handicapped (3&4 Yr. Olds)			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
140 Special Programs			
141 Gifted and Talented - Academic:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

JTPA	OFFICE OF GENERAL EDUCATION	TITLE VI (HANDICAPPED)	VOCATIONAL EDUCATION	OTHER SPECIAL REVENUE PROGRAMS	TOTAL

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	ADULT EDUCATION	CHAPTER I	CHAPTER II
142 Disadvantaged:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
143 Compensatory Education:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
145 Remedial Education:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
148 Gifted and Talented – Artistic:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
149 Other Sepcial Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
170 Summer School Programs			
171 Primary Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

JTPA	OFFICE OF GENERAL EDUCATION	TITLE VI (HANDICAPPED)	VOCATIONAL EDUCATION	OTHER SPECIAL REVENUE PROGRAMS	TOTAL

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	ADULT EDUCATION	CHAPTER I	CHAPTER II
172 Elementary Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
173 High School Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
174 Gifted and Talented Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
175 Compensatory Education Summer Schools:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
177 Remedial Education Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
180 Adult/Continuing Educational Programs			
181 Adult Basic Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

JTPA	OFFICE OF GENERAL EDUCATION	TITLE VI (HANDICAPPED)	VOCATIONAL EDUCATION	OTHER SPECIAL REVENUE PROGRAMS	TOTAL

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	ADULT EDUCATION	CHAPTER I	CHAPTER II
182 Adult Secondary Program:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
184 Post Secondary Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other objects			
185 Vocational Adult:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
187 Adult Education - Remedial:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
TOTAL INSTRUCTION			
200 SUPPORTING SERVICES			
210 Pupil Services			
211 Attendance and Social Work:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

JTPA	OFFICE OF GENERAL EDUCATION	TITLE VI (HANDICAPPED)	VOCATIONAL EDUCATION	OTHER SPECIAL REVENUE PROGRAMS	TOTAL

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	ADULT EDUCATION	CHAPTER I	CHAPTER II
212 Guidance:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
213 Health:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
214 Psychological:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
215 Speech and Hearing:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
216 Placements:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
220 Instructional Staff Services			
221 Improvement of Instruction:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

JTPA	OFFICE OF GENERAL EDUCATION	TITLE VI (HANDICAPPED)	VOCATIONAL EDUCATION	OTHER SPECIAL REVENUE PROGRAMS	TOTAL

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	ADULT EDUCATION	CHAPTER I	CHAPTER II
222 Educational Media:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
223 Supervision of Special Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
230 General Administration Services			
231 Board of Education:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other objects			
232 Office of Superintendent:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other objects			
233 School Administration:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

JTPA	OFFICE OF GENERAL EDUCATION	TITLE VI (HANDICAPPED)	VOCATIONAL EDUCATION	OTHER SPECIAL REVENUE PROGRAMS	TOTAL

BEST COPY AVAILABLE

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	ADULT EDUCATION	CHAPTER I	CHAPTER II
250 Finance and Operations Services			
252 Fiscal Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
253 Facilities Acquisition and Construction Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other objects			
254 Operation and Maintenance of Plant Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
255 Pupil Transportation Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
*256 Food Service:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
257 Internal Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

*Use the same level of detail required for expenditures in the Food Service Fund.

JTPA	OFFICE OF GENERAL EDUCATION	TITLE VI (HANDICAPPED)	VOCATIONAL EDUCATION	OTHER SPECIAL REVENUE PROGRAMS	TOTAL

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	ADULT EDUCATION	CHAPTER I	CHAPTER II
260 Central Support Services			
262 Planning, Research, Development & Evaluation:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
263 Information Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
264 Staff Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
265 Statistical Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
266 Data Processing Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
TOTAL SUPPORTING SERVICES			

JTPA	OFFICE OF GENERAL EDUCATION	TITLE VI (HANDICAPPED)	VOCATIONAL EDUCATION	OTHER SPECIAL REVENUE PROGRAMS	TOTAL

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	ADULT EDUCATION	CHAPTER I	CHAPTER II
300 COMMUNITY SERVICES			
320 Recreation:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
330 Civic:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
340 Public Library:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other objects			
350 Custody and Care of Children Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
360 Welfare:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
370 Non-Public School Pupils Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

JTPA	OFFICE OF GENERAL EDUCATION	TITLE VI (HANDICAPPED)	VOCATIONAL EDUCATION	OTHER SPECIAL REVENUE PROGRAMS	TOTAL

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	ADULT EDUCATION	CHAPTER I	CHAPTER II
390 Other Community Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
TOTAL COMMUNITY SERVICES			
500 Debt Service:			
350 Advertising			
610 Redemption of Principal			
620 Interest			
630 Discount on Bonds Sold			
640 Dues and Fees			
TOTAL DEBT SERVICE			
TOTAL EXPENDITURES			
OTHER FINANCING SOURCES (USES)			
Transfers, From (to) Other Funds:			
1960 Transfer from General Fund			
1963 Transfer from Debt Service Fund			
1964 Transfer from School Building Fund			
1965 Transfer from Food Service Fund			
1966 Transfer from Pupil Activity Fund			
1968 Payments from Other Governmental Units			
411-720 Payments to State Department of Education			
412-720 Payments to Other Governmental Units			
420-710 Transfer to General Fund			
422-710 Transfer to Special Revenue EIA Fund			
423-710 Transfer to Debt Service Fund			
424-710 Transfer to School Building Fund			

JTPA	OFFICE OF GENERAL EDUCATION	TITLE VI (HANDICAPPED)	VOCATIONAL EDUCATION	OTHER SPECIAL REVENUE PROGRAMS	TOTAL

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	ADULT EDUCATION	CHAPTER I	CHAPTER II
425-710 Transfer to Food Service Fund			
426-710 Transfer to Pupil Activity Fund			
* 431-791 Special Revenue Fund Indirect Costs			
TOTAL OTHER FINANCING SOURCES (USES)			
Excess/Deficiency of Revenues over Expenditures			
Fund Balance July 1, 19XX			
Fund Balance June 30, 19XX			

*Transfer of Indirect Costs to the General Fund.

JTPA	OFFICE OF GENERAL EDUCATION	TITLE VI (HANDICAPPED)	VOCATIONAL EDUCATION	OTHER SPECIAL REVENUE PROGRAMS	TOTAL

SCHEDULES - SPECIAL REVENUE FUND BY PROJECT

88

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Anywhere School District
Adult Education
Schedule of Revenues, Expenditures,
and Changes in Fund Balance
For the Fiscal Year Ended June 30, 19XX

Project Number ___________

		Budget	Actual	Variance Favorable (Unfavorable)
Revenues (Local)				
	Total Revenues			
Expenditures				
	Total Expenditures			
Excess/Deficiency of Revenues over Expenditures				
Beginning Fund Balance July 1, 19XX				
Ending Fund Balance June 30, 19XX				
Expenditures				
181	Instruction - Basic			
	100 Salaries			
	200 Employee Benefits			
	300 Purchased Services			
	400 Supplies and Materials			
	500 Capital Outlay			
	600 Other Objects			
	Total			
182	Instruction - High			
	100 Salaries			
	200 Employee Benefits			
	300 Purchased Services			
	400 Supplies and Materials			
	500 Capital Outlay			
	600 Other Objects			
	Total			

Adult Education

			Budget	Actual	Variance Favorable (Unfavorable)
223	Supervision of Special Projects				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
254	Operations and Maintenance				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
Total Expenditures					

Anywhere School District
Adult Education
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 19XX

Project Number ___________

		Budget	Actual	Variance Favorable (Unfavorable)
Revenues (State) 3151				
	Total Revenues			
Expenditures				
	Total Expenditures			
Excess/Deficiency of Revenues over Expenditures				
Beginning Fund Balance July 1, 19XX				
Ending Fund Balance June 30, 19XX				
Expenditures				
181	Instruction - Basic			
	100 Salaries			
	200 Employee Benefits			
	300 Purchased Services			
	400 Supplies and Materials			
	500 Capital Outlay			
	600 Other Objects			
	Total			
182	Instruction - High			
	100 Salaries			
	200 Employee Benefits			
	300 Purchased Services			
	400 Supplies and Materials			
	500 Capital Outlay			
	600 Other Objects			
	Total			

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Adult Education

			Budget	Actual	Variance Favorable (Unfavorable)
223	Supervision of Special Projects				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
254	Operations and Maintenance				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
Total Expenditures					

Anywhere School District
Adult Education
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 19XX

Project Number ___________

			Budget	Actual	Variance Favorable (Unfavorable)
Revenues (Federal) 4410					
	Total Revenues				
Expenditures					
	Total Expenditures				
Excess/Deficiency of Revenues over Expenditures					
Beginning Fund Balance July 1, 19XX					
Ending Fund Balance June 30, 19XX					
Expenditures					
181	Instruction - Basic				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
182	Instruction - High				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			

Adult Education

			Budget	Actual	Variance Favorable (Unfavorable)
223	Supervision of Special Projects				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
254	Operations and Maintenance				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
420-710		Transfer to General Fund			
431-791		Special Revenue Fund Indirect Cost			
Total Expenditures					

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Anywhere School District
Chapter I
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 19XX

Project Number ___________

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues (4310)			
Total Revenues			
Expenditures			
Total Expenditures			
Excess/Deficiency of Revenues over Expenditures			
Beginning Fund Balance July 1, 19XX			
Ending Fund Balance June 30, 19XX			
Expenditures			
110 Instruction			
*** ____________(Please display the detailed expenditure function(s) for the Instruction heading - 111 to 185)			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
Total			
210 Pupil Service			
*** ____________(Please display the detailed expenditure function(s) for the Instruction heading - 211 to 216)			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
Total			

Chapter I

		Budget	Actual	Variance Favorable (Unfavorable)
220	Instructional Staff			
***	______________(Please display the detailed expenditure function(s) for the Instruction heading - 221 to 223)			
100	Salaries			
200	Employee Benefits			
300	Purchased Services			
400	Supplies and Materials			
500	Capital Outlay			
600	Other Objects			
	Total			
253	Facilities Acquisition and Construction			
500	Capital Outlay			
	Total			
254	Operation and Maintenance			
100	Salaries			
200	Employee Benefits			
300	Purchased Services			
400	Supplies and Materials			
500	Capital Outlay			
600	Other Objects			
	Total			
255	Pupil Transportation			
100	Salaries			
200	Employee Benefits			
300	Purchased Services			
400	Supplies and Materials			
500	Capital Outlay			
600	Other Objects			
	Total			
256	Food Services			
400	Supplies and Materials			
	Total			

Chapter I

		Budget	Actual	Variance Favorable (Unfavorable)
300	Community Services			
	*** _____________(Please display the detailed expenditure function(s) for the Instruction heading - 320 to 390)			
100	Salaries			
200	Employee Benefits			
300	Purchased Services			
400	Supplies and Materials			
500	Capital Outlay			
600	Other Objects			
	Total			
420-710	Transfer to General Fund			
431-791	Special Revenue Fund Indirect Cost			
Total Expenditures				

Anywhere School District
Chapter II
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 19XX

Project Number ___________

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues (4340)			
Total Revenues			
Expenditures			
Total Expenditures			
Excess/Deficiency of Revenues over Expenditures			
Beginning Fund Balance July 1, 19XX			
Ending Fund Balance June 30, 19XX			
Expenditures			
110 Instruction			
*** ____________(Please display the detailed expenditure function(s) for the Instruction heading - 111 to 185)			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
Total			
210 Pupil Service			
*** ____________(Please display the detailed expenditure function(s) for the Instruction heading - 211 to 216)			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
Total			

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				Budget	Actual	Variance Favorable (Unfavorable)
220	Instructional Staff					
	***	______________(Please display the detailed expenditure function(s) for the Instruction heading - 221 to 223)				
		100	Salaries			
		200	Employee Benefits			
		300	Purchased Services			
		400	Supplies and Materials			
		500	Capital Outlay			
		600	Other Objects			
			Total			
	253	Facilities Acquisition and Construction				
		500	Capital Outlay			
			Total			
	254	Operation and Maintenance				
		100	Salaries			
		200	Employee Benefits			
		300	Purchased Services			
		400	Supplies and Materials			
		500	Capital Outlay			
		600	Other Objects			
			Total			
	255	Pupil Transportation				
		100	Salaries			
		200	Employee Benefits			
		300	Purchased Services			
		400	Supplies and Materials			
		500	Capital Outlay			
		600	Other Objects			
			Total			
	256	Food Services				
		400	Supplies and Materials			
			Total			

		Budget	Actual	Variance Favorable (Unfavorable)
260	Central Support Services			
	*** _____________(Please display the detailed expenditure function(s) for the Instruction heading - 262 to 266)			
100	Salaries			
200	Employee Benefits			
300	Purchased Services			
400	Supplies and Materials			
500	Capital Outlay			
600	Other Objects			
	Total			
300	Community Services			
	*** _____________(Please display the detailed expenditure function(s) for the Instruction heading - 320 to 390)			
100	Salaries			
200	Employee Benefits			
300	Purchased Services			
400	Supplies and Materials			
500	Capital Outlay			
600	Other Objects			
	Total			
420-710	Transfer to General Fund			
431-791	Special Revenue Fund Indirect Cost			
Total Expenditures				

Anywhere School District
JTPA
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 19XX

Project Number ___________

			Budget	Actual	Variance Favorable (Unfavorable)
Revenues (4930)					
	Total Revenues				
Expenditures					
	Total Expenditures				
Excess/Deficiency of Revenues over Expenditures					
Beginning Fund Balance July 1, 19XX					
Ending Fund Balance June 30, 19XX					
Expenditures					
216	Placement				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
223	Supervision of Special Projects				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			

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JTPA

		Budget	Actual	Variance Favorable (Unfavorable)
360	Work Study			
100	Salaries			
200	Employee Benefits			
300	Purchased Services			
400	Supplies and Materials			
500	Capital Outlay			
600	Other Objects			
	Total			
420-710	Transfer to General Fund			
431-791	Special Revenue Indirect Cost			
Total Expenditures				

Anywhere School District
Office of General Education
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 19XX

Project Number ___________

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues (State) 3121, 3122, 3123, or 3124 **(Separate schedule for each revenue code)**			
Total Revenues			
Expenditures			
Total Expenditures			
Excess/Deficiency of Revenues over Expenditures			
Beginning Fund Balance July 1, 19XX			
Ending Fund Balance June 30, 19XX			

Expenditures

110 Instruction

*** _____________(Please display the detailed expenditure function(s) for the Instruction heading - 111 to 185)

100	Salaries
200	Employee Benefits
300	Purchased Services
400	Supplies and Materials
500	Capital Outlay
600	Other Objects
	Total

210 Pupil Service

*** _____________(Please display the detailed expenditure function(s) for the Instruction heading - 211 to 216)

100	Salaries
200	Employee Benefits
300	Purchased Services
400	Supplies and Materials
500	Capital Outlay
600	Other Objects
	Total

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Office of General Education

		Budget	Actual	Variance Favorable (Unfavorable)
220	Instructional Staff			
221	Improvement of Instruction			
100	Salaries			
200	Employee Benefits			
300	Purchased Services			
400	Supplies and Materials			
500	Capital Outlay			
600	Other Objects			
	Total			
222	Educational Media			
100	Salaries			
200	Employee Benefits			
300	Purchased Services			
400	Supplies and Materials			
500	Capital Outlay			
600	Other Objects			
	Total			
223	Supervision of Special Projects			
100	Salaries			
200	Employee Benefits			
300	Purchased Services			
400	Supplies and Materials			
500	Capital Outlay			
600	Other Objects			
	Total			
300	Community Services			
***	____________(Please display the detailed expenditure function(s) for the Instruction heading - 320 to 390)			
100	Salaries			
200	Employee Benefits			
300	Purchased Services			
400	Supplies and Materials			
500	Capital Outlay			
600	Other Objects			
	Total			
Total Expenditures				

Anywhere School District
Title VI
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 19XX

Project Number ___________

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues (4500)			
Total Revenues			
Expenditures			
Total Expenditures			
Excess/Deficiency of Revenues over Expenditures			
Beginning Fund Balance July 1, 19XX			
Ending Fund Balance June 30, 19XX			
Expenditures			
110 Instruction			
*** _____________(Please display the detailed expenditure function(s) for the Instruction heading - 111 to 185)			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
Total			
210 Pupil Service			
*** _____________(Please display the detailed expenditure function(s) for the Instruction heading - 211 to 216)			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
Total			

Title VI

		Budget	Actual	Variance Favorable (Unfavorable)
220	Instructional Staff			
***	_____________(Please display the detailed expenditure function(s) for the Instruction heading - 211 to 216)			
100	Salaries			
200	Employee Benefits			
300	Purchased Services			
400	Supplies and Materials			
500	Capital Outlay			
600	Other Objects			
	Total			
253	Facilities Acquisition and Construction			
500	Capital Outlay			
	Total			
255	Pupil Transportation			
100	Salaries			
200	Employee Benefits			
300	Purchased Services			
400	Supplies and Materials			
500	Capital Outlay			
600	Other Objects			
	Total			
420-710	Transfer to General Fund			
431-791	Special Revenue Indirect Cost			
Total Expenditures				

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Anywhere School District
Vocational Education
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 19XX

Project Number ___________

		Budget	Actual	Variance Favorable (Unfavorable)
Revenues (Local)				
	Total Revenues			
Expenditures				
	Total Expenditures			
Excess/Deficiency of Revenues over Expenditures				
Beginning Fund Balance July 1, 19XX				
Ending Fund Balance June 30, 19XX				
Expenditures				
115	Vocational Program			
	100 Salaries			
	200 Employee Benefits			
	300 Purchased Services			
	400 Supplies and Materials			
	500 Capital Outlay			
	600 Other Objects			
	Total			
142	Disadvantaged			
	100 Salaries			
	200 Employee Benefits			
	300 Purchased Services			
	400 Supplies and Materials			
	500 Capital Outlay			
	600 Other Objects			
	Total			

Vocational Education

			Budget	Actual	Variance Favorable (Unfavorable)
149	Handicapped				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
184	Post Secondary				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
185	Adult Vocational Education				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
212	Guidance				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			

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Vocational Education

			Budget	Actual	Variance Favorable (Unfavorable)
216	Placement				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
223	Supervision of Special Projects				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
253	Facilities Acquisition and Construction				
	500	Capital Outlay			
		Total			
Total Expenditures					

Anywhere School District
Vocational Education
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 19XX

Project Number ___________

		Budget	Actual	Variance Favorable (Unfavorable)
Revenues (State) 3111, 3112, 3113 **(Separate schedule for each revenue code)**				
	Total Revenues			
Expenditures				
	Total Expenditures			
Excess/Deficiency of Revenues over Expenditures				
Beginning Fund Balance July 1, 19XX				
Ending Fund Balance June 30, 19XX				
Expenditures				
115	Vocational Program			
	100 Salaries			
	200 Employee Benefits			
	300 Purchased Services			
	400 Supplies and Materials			
	500 Capital Outlay			
	600 Other Objects			
	Total			
142	Disadvantaged			
	100 Salaries			
	200 Employee Benefits			
	300 Purchased Services			
	400 Supplies and Materials			
	500 Capital Outlay			
	600 Other Objects			
	Total			

Vocational Education

			Budget	Actual	Variance Favorable (Unfavorable)
149	Handicapped				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
184	Post Secondary				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
185	Adult Vocational Education				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
212	Guidance				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			

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Vocational Education

			Budget	Actual	Variance Favorable (Unfavorable)
216	Placement				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
223	Supervision of Special Projects				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
253	Facilities Acquisition and Construction				
	500	Capital Outlay			
		Total			
Total Expenditures					

Anywhere School District
Vocational Education
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 19XX

Project Number ___________

		Budget	Actual	Variance Favorable (Unfavorable)
Revenues (Federal)	4210, 4220, 4230, or 4290 **(Separate schedule for each revenue code)**			
Total Revenues				
Expenditures				
Total Expenditures				
Excess/Deficiency of Revenues over Expenditures				
Beginning Fund Balance July 1, 19XX				
Ending Fund Balance June 30, 19XX				
Expenditures				
115	Vocational Program			
100	Salaries			
200	Employee Benefits			
300	Purchased Services			
400	Supplies and Materials			
500	Capital Outlay			
600	Other Objects			
	Total			
142	Disadvantaged			
100	Salaries			
200	Employee Benefits			
300	Purchased Services			
400	Supplies and Materials			
500	Capital Outlay			
600	Other Objects			
	Total			

Vocational Education

			Budget	Actual	Variance Favorable (Unfavorable)
149	Handicapped				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
184	Post Secondary				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
185	Adult Vocational Education				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
212	Guidance				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			

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Vocational Education

			Budget	Actual	Variance Favorable (Unfavorable)
216	Placement				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
223	Supervision of Special Projects				
	100	Salaries			
	200	Employee Benefits			
	300	Purchased Services			
	400	Supplies and Materials			
	500	Capital Outlay			
	600	Other Objects			
		Total			
253	Facilities Acquisition and Construction				
	500	Capital Outlay			
		Total			
420-710		Transfer to General Fund			
431-791		Special Revenue Indirect Cost			
Total Expenditures					

SCHEDULE - SPECIAL REVENUE FUND
EDUCATION IMPROVEMENT ACT

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	#305 Raise Acad. Stds.	#315 Adv. Place. Courses	#320 Gifted Talented Acad.	#322 Gifted Talented Art.	#325 Voc. Ed. Equip.	#327 Crit. Teach. Needs	#330 Handi-capped Serv.	#335 Basic Skill H.S Exam	#340 Early Child Prog.	#351 Adult Ed.	#350 Teacher Salary Increase	#353 Adult Ed. Rem.	#355 Sch. Dist. Empl. Contr.	#358 Prin. Incen.
REVENUES														
1000 Revenue from Local Sources														
1500 Earnings on Investments:														
1510 Interest on Investments														
1520 Dividends on Investments														
1530 Gain or Loss on Sale of Inv.														
1900 Other Revenue from Local Sources:														
1940 Proceeds of Long-Term Notes														
1950 Refund of Prior Year's Expen.														
1990 Miscellaneous														
Total Local Sources														
3000 Revenue from State Sources														
3500 Education Improvement Act:														
3505 Increase High School Diploma Req.														
3515 Advanced Placement Courses														
3520 Gifted and Talented Academic														
3522 Gifted and Talented Artistic														
3523 Junior Scholars Programs														
3525 Vocational Education Equipment														
3527 Critical Teaching Needs														
3530 Handicapped Services														
3535 High School Exit Exam														
3540 Four-Year Old Early Childhood Program														
3542 Child Development														
3545 Compensatory Education														
3547 Remedial Education														
3550 Teacher Salary Increase														
3551 Adult Education														
3553 Adult Education - Remedial														
3555 School Employer Contributions														
3558 Principal Incentive (FY 88, 90, 92)														
3559 Principal Incentive (FY 89, 91, 93)														
3560 Teacher Incentive Pay Prog. (FY 88, 90, 92)														
3561 Teacher Incentive Pay Prog. (FY 89, 91, 93)														
3565 In-Service Teacher Training														
3567 School Flexibility Grants														
3568 School Innovation														
3570 Assist Teachers with Paperwork														
3575 Competive Teacher Grants														
3577 Tuition Reimbursement for Teachers														
3580 Administrator Apprenticeships														
3582 Principal's Salary Fringe Increase														
3585 Innovative School Program Grants														
3587 School Incentive Reward Prog. (FY 88, 90, 92)														
3588 School Incentive Reward Prog. (FY 89, 91, 93)														
3590 School Building Aid														

#359 Prin. Incen.	#360 Teacher Incen. Pay Prog.	#361 Teacher Incen. Pay Prog.	#365 In-Ser. Teach. Train.	#367 School Flexibility Grant	#368 School Innovation	#370 Assist Teach With PapWk	#375 Comp. Teach Grant	#377 Tuit. Reimb. For Teach.	#380 Admin. Apprentice	#382 Prin. Sal. Fringe Incr.	#385 Inn. Prog. Grant	#387 Sch. Incen. Reward Prog.	#388 Sch. Incen. Reward Prog.	#390 Sch. Bldg. Aid	#394 Serious Impair Dist.	#395 Eff. Partn.	#399 Other State Rev	TOTAL

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	#305 Raise Acad. Stds.	#315 Adv. Place. Courses	#320 Gifted Talented Acad.	#322 Gifted Talented Art.	#325 Voc. Ed. Equip.	#327 Crit. Teach. Needs	#330 Handi-capped Serv.	#335 Basic Skill H.S Exam	#340 Early Child Prog.	#351 Adult Ed.	#350 Teacher Salary Increase	#353 Adult Ed. Rem.	#355 Sch. Dist. Empl. Contr.	#358 Prin. Incen.
3594 Seriously Impaired District														
3595 Effective Partnerships (Parenting)														
3990 Other State Revenue														
Total State Sources														
TOTAL REVENUE ALL SOURCES														
EXPENDITURES														
100 INSTRUCTION														
110 General Instruction														
111 Kindergarten Programs:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
112 Primary Programs:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
113 Elementary Programs:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
114 High School Programs:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other objects														
115 Vocational Programs:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services - Other Than Tuition														
370 Purchased Ser.-Tuition														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														

#359 Prin. Incen.	#360 Teacher Incen. Pay Prog.	#361 Teacher Incen. Pay Prog.	#365 In-Ser. Teach. Train.	#367 School Flexibility Grant	#368 School Innovation	#370 Assist Teach With PapWk	#375 Comp. Teach Grant	#377 Tuit. Reimb. For Teach.	#380 Admin. Apprentice	#382 Prin. Sal. Fringe Incr.	#385 Inn. Prog. Grant	#387 Sch. Incen. Reward Prog.	#388 Sch. Incen. Reward Prog.	#390 Sch. Bldg. Aid	#394 Serious Impair Dist.	#395 Eff. Partn.	#399 Other State Rev	TOTAL

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	#305 Raise Acad. Stds.	#315 Adv. Place. Courses	#320 Gifted Talented Acad.	#322 Gifted Talented Art.	#325 Voc. Ed. Equip.	#327 Crit. Teach. Needs	#330 Handi-capped Serv.	#335 Basic Skill H.S Exam	#340 Early Child Prog.	#351 Adult Ed.	#350 Teacher Salary Increase	#353 Adult Ed. Rem.	#355 Sch. Dist. Empl. Contr.	#358 Prin. Incen.
120 Exceptional Programs														
121 Educable Mentally Handicapped:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other objects														
122 Trainable Mentally Handicapped:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
123 Orthopedically Handicapped:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
124 Visually Handicapped:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
125 Hearing Handicapped:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
126 Speech Handicapped:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
127 Learning Disabilities:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														

#359 Prin. Incen.	#360 Teacher Incen. Pay Prog.	#361 Teacher Incen. Pay Prog.	#365 In-Ser. Teach. Train.	#367 School Flexibility Grant	#368 School Innovation	#370 Assist Teach With PapWk	#375 Comp. Teach Grant	#377 Tuit. Reimb. For Teach.	#380 Admin. Apprentice	#382 Prin. Sal. Fringe Incr.	#385 Inn. Prog. Grant	#387 Sch. Incen. Reward Prog.	#388 Sch. Incen. Reward Prog.	#390 Sch. Bldg. Aid	#394 Serious Impair Dist.	#395 Eff. Partn.	#399 Other State Rev	TOTAL

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	#305 Raise Acad. Stds.	#315 Adv. Place. Courses	#320 Gifted Talented Acad.	#322 Gifted Talented Art.	#325 Voc. Ed. Equip.	#327 Crit. Teach. Needs	#330 Handi-capped Serv.	#335 Basic Skill H.S Exam	#340 Early Child Prog.	#351 Adult Ed.	#350 Teacher Salary Increase	#353 Adult Ed. Rem.	#355 Sch. Dist. Empl. Contr.	#358 Prin. Incen.
128 Emotionally Handicapped:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
129 Homebound:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
140 Special Programs														
141 Gifted and Talented - Academic:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
142 Disadvantaged:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
143 Compensatory Education:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
145 Remedial:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
148 Gifted and Talented - Artistic:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														

#359 Prin. Incen.	#360 Teacher Incen. Pay Prog.	#361 Teacher Incen. Pay Prog.	#365 In-Ser. Teach. Train.	#367 School Flexi-bility Grant	#368 School Innova-tion	#370 Assist Teach With PapWk	#375 Comp. Teach Grant	#377 Tuit. Reimb. For Teach.	#380 Admin. Appr-entice	#382 Prin. Sal. Fringe Incr.	#385 Inn. Prog. Grant	#387 Sch. Incen. Reward Prog.	#388 Sch. Incen. Reward Prog.	#390 Sch. Bldg. Aid	#394 Serious Impair Dist.	#395 Eff. Partn.	#399 Other State Rev	TOTAL

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	#305 Raise Acad. Stds.	#315 Adv. Place. Courses	#320 Gifted Talented Acad.	#322 Gifted Talented Art.	#325 Voc. Ed. Equip.	#327 Crit. Teach. Needs	#330 Handi-capped Serv.	#335 Basic Skill H.S Exam	#340 Early Child Prog.	#351 Adult Ed.	#350 Teacher Salary Increase	#353 Adult Ed. Rem.	#355 Sch. Dist. Empl. Contr.	#358 Prin. Incen.
149 Other Special Programs:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
151 District-Wide General/Exceptional:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
170 Summer School Program														
171 Primary Summer School:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
172 Elementary Summer School:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
173 High School Summer School:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
174 Gifted and Talented Summer School														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
175 Compensatory Education Summer Schools:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														

#359 Prin. Incen.	#360 Teacher Incen. Pay Prog.	#361 Teacher Incen. Pay Prog.	#365 In-Ser. Teach. Train.	#367 School Flexibility Grant	#368 School Innovation	#370 Assist Teach With PapWk	#375 Comp. Teach Grant	#377 Tuit. Reimb. For Teach.	#380 Admin. Apprentice	#382 Prin. Sal. Fringe Incr.	#385 Ins. Prog. Grant	#387 Sch. Incen. Reward Prog.	#388 Sch. Incen. Reward Prog.	#390 Sch. Bldg. Aid	#394 Serious Impair Dist.	#395 Eff. Partn.	#399 Other State Rev	TOTAL

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	#305 Raise Acad. Stds.	#315 Adv. Place. Courses	#320 Gifted Talented Acad.	#322 Gifted Talented Art.	#325 Voc. Ed. Equip.	#327 Crit. Teach. Needs	#330 Handi-capped Serv.	#335 Basic Skill H.S Exam	#340 Early Child Prog.	#351 Adult Ed.	#350 Teacher Salary Increase	#353 Adult Ed. Rem.	#355 Sch. Dist. Empl. Contr.	#358 Prin. Incen.
177 Remedial Education Summer School:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
180 Adult/Continuing Educational Programs														
181 Adult Basic Programs:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
182 Adult Secondary Program:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
184 Post Secondary Programs:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other objects														
185 Vocational Adult:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
187 Adult Education - Remedial														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
TOTAL INSTRUCTION														

#359 Prin. Incen.	#360 Teacher Incen. Pay Prog.	#361 Teacher Incen. Pay Prog.	#365 In-Ser. Teach. Train.	#367 School Flexibility Grant	#368 School Innovation	#370 Assist Teach With PapWk	#375 Comp. Teach Grant	#377 Tuit. Reimb. For Teach.	#380 Admin. Apprentice	#382 Prin. Sal. Fringe Incr.	#385 Inn. Prog. Grant	#387 Sch. Incen. Reward Prog.	#388 Sch. Incen. Reward Prog.	#390 Sch. Bldg. Aid	#394 Serious Impair Dist.	#395 Eff. Partn.	#399 Other State Rev	TOTAL

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	#305 Raise Acad. Stds.	#315 Adv. Place. Courses	#320 Gifted Talented Acad.	#322 Gifted Talented Art.	#325 Voc. Ed. Equip.	#327 Crit. Teach. Needs	#330 Handicapped Serv.	#335 Basic Skill H.S Exam	#340 Early Child Prog.	#351 Adult Ed.	#350 Teacher Salary Increase	#353 Adult Ed. Rem.	#355 Sch. Dist. Empl. Contr.	#358 Prin. Incen.
200 SUPPORTING SERVICES														
210 Pupil Services														
211 Attendance and Social Work:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
212 Guidance:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
213 Health:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
214 Psychological:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
215 Speech and Hearing:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
216 Placement:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														

#359 Prin. Incen.	#360 Teacher Incen. Pay Prog.	#361 Teacher Incen. Pay Prog.	#365 In-Ser. Teach. Train.	#367 School Flexibility Grant	#368 School Innovation	#370 Assist Teach With PapWk	#375 Comp. Teach Grant	#377 Tuit. Reimb. For Teach.	#380 Admin. Apprentice	#382 Prin. Sal. Fringe Incr.	#385 Inn. Prog. Grant	#387 Sch. Incen. Reward Prog.	#388 Sch. Incen. Reward Prog.	#390 Sch. Bldg. Aid	#394 Serious Impair Dist.	#395 Eff. Partn.	#399 Other State Rev	TOTAL

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	#305 Raise Acad. Stds.	#315 Adv. Place. Courses	#320 Gifted Talented Acad.	#322 Gifted Talented Art.	#325 Voc. Ed. Equip.	#327 Crit. Teach. Needs	#330 Handi-capped Serv.	#335 Basic Skill H.S Exam	#340 Early Child Prog.	#351 Adult Ed.	#350 Teacher Salary Increase	#353 Adult Ed. Rem.	#355 Sch. Dist. Empl. Contr.	#358 Prin. Incen.
220 Instructional Staff Services														
221 Improvement of Instruction:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
222 Educational Media:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
223 Supervision of Special Programs:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
230 General Administration Services														
231 Board of Education:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other objects														
232 Office of Superintendent:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other objects														
233 School Administration:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														

#359 Prin. Incon.	#360 Teacher Incon. Pay Prog.	#361 Teacher Incon. Pay Prog.	#365 In-Ser. Teach. Train.	#367 School Flexibility Grant	#368 School Innovation	#370 Assist Teach With PapWk	#375 Comp. Teach Grant	#377 Tuit. Reimb. For Teach.	#380 Admin. Apprentice	#382 Prin. Sal. Fringe Incr.	#385 Inn. Prog. Grant	#387 Sch. Incen. Reward Prog.	#388 Sch. Incen. Reward Prog.	#390 Sch. Bldg. Aid	#394 Serious Impair Dist.	#395 Eff. Partn.	#399 Other State Rev	TOTAL

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	#305 Raise Acad. Stds.	#315 Adv. Place. Courses	#320 Gifted Talented Acad.	#322 Gifted Talented Art.	#325 Voc. Ed. Equip.	#327 Crit. Teach. Needs	#330 Handi-capped Serv.	#335 Basic Skill H.S Exam	#340 Early Child Prog.	#351 Adult Ed.	#350 Teacher Salary Increase	#353 Adult Ed. Rem.	#355 Sch. Dist. Empl. Contr.	#358 Prin. Incen.
250 Finance and Operations Services														
252 Fiscal Services:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
253 Facilities Acquisition and Construction														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other objects														
254 Operation and Maintenance of Plant:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
255 Pupil Transportation Services:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
257 Internal Services:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
260 Central Support Services														
262 Planning, Research, Development & Evaluation:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														

#359 Prin. Incon.	#360 Teacher Incon. Pay Prog.	#361 Teacher Incon. Pay Prog.	#365 In-Ser. Teach. Train.	#367 School Flexi-bility Grant	#368 School Innova-tion	#370 Assist Teach With PapWk	#375 Comp. Teach Grant	#377 Tuit. Reimb. For Teach.	#380 Admin. Appr-entice	#382 Prin. Sal. Fringe Incr.	#385 Inn. Prog. Grant	#387 Sch. Incon. Reward Prog.	#388 Sch. Incon. Reward Prog.	#390 Sch. Bldg. Aid	#394 Serious Impair Dist.	#395 Eff. Partn.	#399 Other State Rev	TOTAL

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	#305 Raise Acad. Stds.	#315 Adv. Place. Courses	#320 Gifted Talented Acad.	#322 Gifted Talented Art.	#325 Voc. Ed. Equip.	#327 Crit. Teach. Needs	#330 Handi-capped Serv.	#335 Basic Skill H.S Exam	#340 Early Child Prog.	#351 Adult Ed.	#350 Teacher Salary Increase	#353 Adult Ed. Rem.	#355 Sch. Dist. Empl. Contr.	#358 Prin. Incen.
263 Information Services:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
264 Staff Services:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
265 Statistical Services:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
266 Data Processing Services:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
TOTAL SUPPORTING SERVICES														
300 COMMUNITY SERVICES														
320 Recreation:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
330 Civic:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														

#359 Prin. Incen.	#360 Teacher Incen. Pay Prog.	#361 Teacher Incen. Pay Prog.	#365 In-Ser. Teach. Train.	#367 School Flexibility Grant	#368 School Innovation	#370 Assist Teach With PapWk	#375 Comp. Teach Grant	#377 Tuit. Reimb. For Teach.	#380 Admin. Apprentice	#382 Prin. Sal. Fringe Incr.	#385 Inn. Prog. Grant	#387 Sch. Incen. Reward Prog.	#388 Sch. Incen. Reward Prog.	#390 Sch. Bldg. Aid	#394 Serious Impair Dist.	#395 Eff. Partn.	#399 Other State Rev	TOTAL

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	#305 Raise Acad. Stds.	#315 Adv. Place. Courses	#320 Gifted Talented Acad.	#322 Gifted Talented Art.	#325 Voc. Ed. Equip.	#327 Crit. Teach. Needs	#330 Handi-capped Serv.	#335 Basic Skill H.S Exam	#340 Early Child Prog.	#351 Adult Ed.	#350 Teacher Salary Increase	#353 Adult Ed. Rem.	#355 Sch. Dist. Empl. Contr.	#358 Prin. Incen.
340 Public Library:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other objects														
350 Custody and Care of Children:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
360 Welfare:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
370 Non-Public School Pupils:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
390 Other Community Services:														
100 Salaries														
200 Employee Benefits														
300 Purchased Services														
400 Supplies and Materials														
500 Capital Outlay														
600 Other Objects														
TOTAL COMMUNITY SERVICES														
500 DEBT SERVICE:														
350 Advertising														
610 Redemption of Principal														
620 Interest														
630 Discount on Bonds Sold														
640 Dues and Fees														
TOTAL DEBT SERVICE														
TOTAL EXPENDITURES														

#359 Prin. Incen.	#360 Teacher Incen. Pay Prog.	#361 Teacher Incen. Pay Prog.	#365 In-Ser. Teach. Train.	#367 School Flexibility Grant	#368 School Innovation	#370 Assist Teach With PapWk	#375 Comp. Teach Grant	#377 Tuit. Reimb. For Teach.	#380 Admin. Apprentice	#382 Prin. Sal. Fringe Incr.	#385 Inn. Prog. Grant	#387 Sch. Incen. Reward Prog.	#388 Sch. Incen. Reward Prog.	#390 Sch. Bldg. Aid	#394 Serious Impair Dist.	#395 Eff. Partn.	#399 Other State Rev	TOTAL

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	#305 Raise Acad. Stds.	#315 Adv. Place. Courses	#320 Gifted Talented Acad.	#322 Gifted Talented Art.	#325 Voc. Ed. Equip.	#327 Crit. Teach. Needs	#330 Handi-capped Serv.	#335 Basic Skill H.S Exam	#340 Early Child Prog.	#351 Adult Ed.	#350 Teacher Salary Increase	#353 Adult Ed. Rem.	#355 Sch. Dist. Empl. Contr.	#358 Prin. Incen.
OTHER FINANCING SOURCES (USES)														
Transfers, From (to) Other Funds:														
1960 Transfer from General Fund														
1961 Transfer from Special Revenue Fund														
1963 Transfer from Debt Service Fund														
1964 Transfer from School Building Fund														
1965 Transfer from Food Service Fund														
1966 Transfer from Pupil Activity Fund														
1968 Payments from Other Governmental Units														
411-720 Payment To State Department of Education														
412-720 Payments to Other Governmental Units														
420-710 Transfer to General Fund														
421-710 Transfer to Special Revenue Fund														
423-710 Transfer to Debt Service Fund														
424-710 Transfer to School Building Fund														
425-710 Transfer to Food Service Fund														
426-710 Transfer to Pupil Activity Fund														
TOTAL OTHER FINANCING SOURCES (USES)														
Excess/Deficiency of Revenues over Expenditures														
Fund Balance July 1, 19XX														
Fund Balance June 30, 19XX														

#359 Prin. Incen.	#360 Teacher Incen. Pay Prog.	#361 Teacher Incen. Pay Prog.	#365 In-Ser. Teach. Train.	#367 School Flexi-bility Grant	#368 School Innova-tion	#370 Assist Teach With PapWk	#375 Comp. Teach Grant	#377 Tuit. Reimb. For Teach.	#380 Admin. Appr-entice	#382 Prin. Sal. Fringe Incr.	#385 Inn. Prog. Grant	#387 Sch. Incen. Reward Prog.	#388 Sch. Incen. Reward Prog.	#390 Sch. Bldg. Aid	#394 Serious Impair Dist.	#395 Eff. Partn.	#399 Other State Rev	TOTAL

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SCHEDULE - SPECIAL REVENUE FUND
TARGET 2000

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
TARGET 2000
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	810 Parent Education	820 Dropout Prevention	830 School Innovation	840 Arts In Education	TOTAL
REVENUES					
1000 Revenue From Local Sources					
1500 Earnings on Investments:					
1510 Interest on Investments					
1520 Dividends on Investments					
1530 Gain or Loss on Sale of Inv.					
1900 Other Revenue from Local Sources:					
1940 Proceeds From Long-Term Notes					
1950 Refund of Prior Year's Exp.					
1990 Miscellaneous					
Total Local Sources					
3000 Revenue From State Sources					
3800 Target 2000 School Reform Act					
3810 Parent Education					
3820 Dropout Prevention					
3830 School Innovation					
3840 Arts In Education					
Total State Sources					
TOTAL REVENUE ALL SOURCES					
EXPENDITURES					
100 INSTRUCTION					
110 General Instruction					
111 Kindergarten Programs:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
112 Primary Programs:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
TARGET 2000
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	810 Parent Education	820 Dropout Prevention	830 School Innovation	840 Arts In Education	TOTAL
113 Elementary Programs:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
114 High School Programs:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
115 Vocational Programs:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services - Other Than Tuition					
370 Purchased Services-Tuition					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
120 Exceptional Programs					
121 Educable Mentally Handicapped:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
122 Trainable Mentally Handicapped:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
123 Orthopedically Handicapped:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
124 Visually Handicapped:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
TARGET 2000
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	810 Parent Education	820 Dropout Prevention	830 School Innovation	840 Arts In Education	TOTAL
125 Hearing Handicapped:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
126 Speech Handicapped:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
127 Learning Disabilities:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
128 Emotionally Handicapped:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
129 Homebound:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
140 Special Programs					
141 Gifted and Talented - Academic:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
142 Disadvantaged:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
TARGET 2000
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	810 Parent Education	820 Dropout Prevention	830 School Innovation	840 Arts In Education	TOTAL
143 Compensatory Education:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
145 Remedial:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
148 Gifted and Talented - Artistic:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
149 Other Special Programs:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
151 District-wide General/Exceptional Salary Increase:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
170 Summer School Program					
171 Primary Summer School:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
172 Elementary Summer School:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
TARGET 2000
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	810 Parent Education	820 Dropout Prevention	830 School Innovation	840 Arts In Education	TOTAL
173 High School Summer School:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
174 Gifted & Talented Summer School:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
175 Compensatory Education Summer Schools:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
177 Remedial Education Summer School:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
180 Adult/Continuing Education Programs					
181 Adult Basic Programs:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
182 Adult Secondary Program:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
184 Post Secondary Programs:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other objects					

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
TARGET 2000
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	810 Parent Education	820 Dropout Prevention	830 School Innovation	840 Arts In Education	TOTAL
185 Vocational Adult:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
187 Adult Education - Remedial:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
TOTAL INSTRUCTION					
200 SUPPORTING SERVICES					
210 Pupil Services					
211 Attendance and Social Work:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
212 Guidance:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
213 Health:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
214 Psychological:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
TARGET 2000
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	810 Parent Education	820 Dropout Prevention	830 School Innovation	840 Arts In Education	TOTAL
215 Speech and Hearing:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
216 Placements:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
220 Instructional Staff Services					
221 Improvement of Instruction:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
222 Educational Media:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
223 Supervision of Special Programs:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
230 General Administration Services					
231 Board of Education:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other objects					

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
TARGET 2000
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	810 Parent Education	820 Dropout Prevention	830 School Innovation	840 Arts In Education	TOTAL
232 Office of Superintendent:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other objects					
233 School Administration:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
250 Finance and Operations Services					
252 Fiscal Services:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
253 Facilities Acquisition and Construction					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other objects					
254 Operation and Maintenance of Plant:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
255 Pupil Transportation Services:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
257 Internal Services:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
TARGET 2000
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	810 Parent Education	820 Dropout Prevention	830 School Innovation	840 Arts In Education	TOTAL
260 Central Support Services					
262 Planning, Research, Development & Evaluation:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
263 Information Services:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
264 Staff Services:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
265 Statistical Services:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
266 Data Processing Services:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					
TOTAL SUPPORTING SERVICES					
300 COMMUNITY SERVICES					
320 Recreation:					
100 Salaries					
200 Employee Benefits					
300 Purchased Services					
400 Supplies and Materials					
500 Capital Outlay					
600 Other Objects					

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
TARGET 2000
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	810 Parent Education	820 Dropout Prevention	830 School Innovation	840 Arts In Education	TOTAL
330 Civic:					
100 **Salaries**					
200 **Employee Benefits**					
300 **Purchased Services**					
400 **Supplies and Materials**					
500 **Capital Outlay**					
600 **Other Objects**					
340 Public Library:					
100 **Salaries**					
200 **Employee Benefits**					
300 **Purchased Services**					
400 **Supplies and Materials**					
500 **Capital Outlay**					
600 **Other objects**					
350 Custody and Care of Children Services:					
100 **Salaries**					
200 **Employee Benefits**					
300 **Purchased Services**					
400 **Supplies and Materials**					
500 **Capital Outlay**					
600 **Other Objects**					
360 Welfare:					
100 **Salaries**					
200 **Employee Benefits**					
300 **Purchased Services**					
400 **Supplies and Materials**					
500 **Capital Outlay**					
600 **Other Objects**					
370 Non-Public School Pupils Services:					
100 **Salaries**					
200 **Employee Benefits**					
300 **Purchased Services**					
400 **Supplies and Materials**					
500 **Capital Outlay**					
600 **Other Objects**					
390 Other Community Services:					
100 **Salaries**					
200 **Employee Benefits**					
300 **Purchased Services**					
400 **Supplies and Materials**					
500 **Capital Outlay**					
600 **Other Objects**					
TOTAL COMMUNITY SERVICES					

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
TARGET 2000
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	810 Parent Education	820 Dropout Prevention	830 School Innovation	840 Arts In Education	TOTAL
500 Debt Service:					
350 Advertising					
610 Redemption of Principal					
620 Interest					
630 Discount on Bonds Sold					
640 Dues and Fees					
TOTAL DEBT SERVICE					
TOTAL EXPENDITURES					
OTHER FINANCING SOURCES (USES)					
Transfers, From (to) Other Funds:					
1960 Transfer from General Fund					
411-720 Payment to State Department of Education					
TOTAL OTHER FINANCING SOURCES (USES)					
Excess/Deficiency of Revenues over Expenditures					
Fund Balance July 1, 19XX					
Fund Balance June 30, 19XX					

SCHEDULE - DEBT SERVICE FUND

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET (Optional)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
1000 Revenue from Local Sources			
1100 Taxes:			
1120 Levies for Debt Service			
1130 Delinquent Taxes			
1500 Earnings on Investments:			
1510 Interest on Investments			
1520 Dividends on Investments			
1530 Gain or Loss on Sale of Investments			
1900 Other Revenue From Local Sources			
1920 Contributions & Donations Private Sources			
1940 Proceeds from Long-Term Notes			
1950 Refund of Prior Year's Expenditures			
1970 Proceeds of General Obligation Bonds			
1980 Premium on Bonds Sold			
1990 Miscellaneous			
Total Local Sources			
2000 Revenue From Intermediate Sources			
2100 County Equalization Tax			
2200 Appropriations			
2300 Revenue in Lieu of Taxes			
2400 Other Intermediate Revenue			
Total Intermediate Sources			
3000 Revenue From State Sources			
3170 State School Building Aid			
Total State Sources			
TOTAL REVENUE ALL SOURCES			

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET (Optional)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES			
500 DEBT SERVICE:			
350 Advertising			
610 Redemption of Principal			
620 Interest			
630 Discount on Bonds Sold			
640 Dues and Fees			
TOTAL EXPENDITURES			
OTHER FINANCING SOURCES (USES)			
Transfers, From (to) Other Funds:			
1960 Transfer from General Fund			
1961 Transfer from Special Revenue Fund			
1962 Transfer from Special Revenue EIA Fund			
1964 Transfer from School Building Fund			
1965 Transfer from Food Service Fund			
1966 Transfer from Pupil Activity Fund			
1968 Payments from Other Governmental Units			
1970 Proceeds of General Obligation Bonds			
1980 Premium on Bonds Sold			
1990 Miscellaneous			
411-720 Payment to State Department of Education			
412-720 Payment to Other Governmental Units			
420-710 Transfer to General Fund			
421-710 Transfer to Special Revenue Fund			
422-710 Transfer to Special Revenue EIA Fund			
424-710 Transfer to School Building Fund			
425-710 Transfer to Food Service Fund			
426-710 Transfer to Pupil Activity Fund			
TOTAL OTHER FINANCING SOURCES (USES)			
Excess/Deficiency of Revenues Over Expenditures			
FUND BALANCE JULY 1, 19XX			
FUND BALANCE JUNE 30, 19XX			

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SCHEDULE - SCHOOL BUILDING FUND

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SCHOOL BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET (Optional)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
1000 Revenue from Local Sources			
1500 Earnings on Investments:			
1510 Interest on Investments			
1520 Dividends on Investments			
1530 Gain or Loss on Sale of Investments			
1900 Other Revenue From Local Sources:			
1920 Contributions & Donations Private Sources			
1930 Sale of Fixed Assets			
1950 Refund of Prior Year's Expenditures			
1970 Proceeds of General Obligation Bonds			
1990 Miscellaneous			
Total Local Sources			
2000 Revenue From Intermediate Sources			
2200 Appropriations			
Total Intermediate Sources			
3000 Revenue From State Sources			
3111 Vocational Construction and Equipment			
3131 Handicapped Transportation and Facilities Construction			
3170 State School Building Aid			
3171 State School Building Aid Supplement			
Total State Sources			
TOTAL REVENUE ALL SOURCES			
EXPENDITURES			
253 Facilities Acquisition & Construction Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
315 Management Services			
325 Rentals			
350 Advertising			
390 Other Purchased Services			
400 Supplies and Materials			

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SCHOOL BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET (Optional)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
500 Capital Outlay			
510 Land			
520 Buildings			
530 Improvements Other Than Buildings			
540 Equipment			
541 Equipment (Non-Expendable)			
560 Library Books			
590 Other Capital Outlay			
600 Other Objects			
670 Sales Tax			
690 Other Objects			
500 DEBT SERVICE:			
350 Advertising			
610 Redemption of Principal			
620 Interest			
630 Discount on Bonds Sold			
640 Dues and Fees			
TOTAL EXPENDITURES			
OTHER FINANCING SOURCES (USES)			
Transfers, From (to) Other Funds:			
1960 Transfer from General Fund			
1961 Transfer from Special Revenue Fund			
1962 Transfer from Special Revenue EIA Fund			
1963 Transfer from Debt Service Fund			
1965 Transfer from Food Service Fund			
1966 Transfer from Pupil Activity Fund			
1968 Payments from Other Governmental Units			
1970 Proceeds of General Obligation Bonds			
1980 Premium on Bonds Sold			
1990 Miscellaneous			
411-720 Payment to State Department of Education			
412-720 Payment to Other Governmental Units			
420-710 Transfer to General Fund			
421-710 Transfer to Special Revenue Fund			
422-710 Transfer to Special Revenue EIA Fund			
423-710 Transfer to Debt Service Fund			
425-710 Transfer to Food Service Fund			
426-710 Transfer to Pupil Activity Fund			
TOTAL OTHER FINANCING SOURCES (USES)			
Excess/Deficiency of Revenues over Expenditures			
FUND BALANCE JULY 1, 19XX			
FUND BALANCE JUNE 30, 19XX			

SCHEDULE - FOOD SERVICE FUND

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
1000 Revenue from Local Sources			
1500 Earnings on Investments:			
1510 Interest on Investments			
1520 Dividends on Investments			
1530 Gain or Loss on Sales of Investments			
1600 Food Service:			
1610 Lunch Sales to Pupils			
1620 Breakfast Sales to Pupils			
1630 Special Sales to Pupils			
1640 Lunch Sales to Adults			
1650 Breakfast Sales to Adults			
1660 Special Sales to Adults			
1900 Other Revenue From Local Sources:			
1910 Rentals			
1920 Contributions & Donations Private Sources			
1930 Sales of Fixed Assets			
1950 Refund of Prior Year's Expenditures			
1990 Miscellaneous			
1992 Canteen Operations			
Total Revenue From Local Sources			
2000 Revenue From Intermediate Sources			
2200 Appropriations			
Total Revenue From Intermediate Sources			
3000 Revenue From State Sources			
3140 School Lunch			
3141 Supervisor's Salary			
3142 Program Aid			
Total State Sources			

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

			VARIANCE
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
4000 Revenue From Federal Sources			
4800 USDA Reimbursement:			
4810 School Lunch Program			
4820 Special Milk Program			
4830 School Breakfast Program			
4850 Cash In Lieu of Commodities			
4900 Other Federal Sources			
4990 Other Federal Revenue			
4991 USDA Commodities			
Total Federal Sources			
TOTAL REVENUE ALL SOURCES			
EXPENDITURES			
256 Food Service:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
315 Management Services			
321 Public Utilities			
322 Cleaning			
323 Repairs and Maintenance			
324 Property Insurance			
325 Rentals			
329 Other Property Services			
332 Travel			
340 Communications			
350 Advertising			
360 Printing and Binding			
400 Supplies and Materials			
410 Supplies			
450 Warehouse Inventory Adjustment			
460 Food			
461 USDA Commodities			
462 Commodity Distribution Charge			
500 Capital Outlay			
540 Equipment			
541 Equipment (Non-Expendable)			
550 Vehicles			
570 Depreciation Expense			

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
600 Other Objects			
640 Dues and Fees			
670 Sales Tax			
690 Other Objects			
500 Debt Service:			
350 Advertising			
610 Redemption of Principal			
620 Interest			
630 Discount on Bonds Sold			
640 Dues and Fees			
TOTAL EXPENDITURES			
OTHER FINANCING SOURCES (USES)			
Transfers, From (to) Other Funds:			
1960 Transfer from General Fund			
1961 Transfer from Special Revenue Fund			
1962 Transfer from Special Revenue EIA Fund			
1963 Transfer from Debt Service Fund			
1964 Transfer from School Building Fund			
1966 Transfer from Pupil Activity Fund			
1968 Payments from Other Governmental Units			
411-720 Payment to State Department of Education			
412-720 Payment to other Governmental Units			
420-710 Transfer to General Fund			
421-710 Transfer to Special Revenue Fund			
422-710 Transfer to Special Revenue EIA Fund			
423-710 Transfer to Debt Service Fund			
424-710 Transfer to School Building Fund			
426-710 Transfer to Pupil Activity Fund			
432-791 Food Service Fund Indirect Costs			
TOTAL OTHER FINANCING SOURCES (USES)			
Excess/Deficiency of Revenues over Expenditures			
Fund Balance July 1, 19XX			
Fund Balance June 30, 19XX			

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SCHEDULE - PUPIL ACTIVITY FUND

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
PUPIL ACTIVITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

			VARIANCE
	BUDGET (Optional)	ACTUAL	FAVORABLE (UNFAVORABLE)
RECEIPTS			
1000 Receipts From Local Sources			
1500 Earnings on Investments:			
1510 Interest on Investments			
1520 Dividends on Investments			
1530 Gain or Loss on Sales of Investments			
1700 Pupil Activities:			
1710 Admissions			
1720 Bookstore Sales			
1730 Pupil Organization Membership			
1790 Other			
1900 Other Revenue From Local Sources:			
1910 Rentals			
1920 Contributions & Donations Private Sources			
1930 Sale of Fixed Assets			
1950 Refund of Prior Year's Expenditures			
1990 Miscellaneous			
Total Receipts From Local Sources			
2000 Recipts From Intermediate Sources			
2200 Appropriations			
Total Intermediate Sources			
TOTAL RECEIPTS ALL SOURCES			
DISBURSEMENTS			
190 Instructional Pupil Activity:			
660 Pupil Activity			
270 Supporting Services Pupil Activity:			
660 Pupil Activity			

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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
PUPIL ACTIVITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 19XX

			VARIANCE
	BUDGET (Optional)	ACTUAL	FAVORABLE (UNFAVORABLE)
500 DEBT SERVICE:			
620 Interest			
630 Discount on Bonds Sold			
640 Dues and Fees			
TOTAL DISBURSEMENTS			
OTHER FINANCING SOURCES (USES)			
Transfers, From (to) Other Funds:			
1960 Transfer from General Fund			
1961 Transfer from Special Revenue Fund			
1962 Transfer from Special Revenue EIA Fund			
1963 Transfer from Debt Service Fund			
1964 Transfer from School Building Fund			
1965 Transfer from Food Service Fund			
1968 Payments from Other Governmental Units			
411-720 Payment to State Department of Education			
412-720 Payment to Other Governmental Units			
421-710 Transfer to Special Revenue Fund			
422-710 Transfer to Special Revenue EIA Fund			
423-710 Transfer to Debt Service Fund			
424-710 Transfer to School Building Fund			
425-710 Transfer to Food Service Fund			
TOTAL OTHER FINANCING SOURCES (USES)			
Excess/Deficiency of Revenues over Expenditures			
Fund Balance July 1, 19XX			
Fund Balance June 30, 19XX			

"DUE TO" SCHEDULE

Detailed Schedule of Due to State Department of Education/Federal Government

The South Carolina Department of Education requires a detailed schedule of balance sheet accounts of an LEA recorded as a "Due to State Department of Education/Federal Government." This schedule will allow the monitoring and final disposition of any federal or state funds that have been determined to be due back to the South Carolina Department of Education or the U. S. Department of Education. The amounts presented in the schedule **must not reflect net balances**. Funds normally would be due back to the Department because of overclaimed program expenditures, unexpended funds (EIA and various state allocations), state and federal agency audits, SDE overpayments, or various other possibilities. If this required schedule is not submitted with the audit report, it will be returned to the LEA as unacceptable.

A DETAILED EXAMPLE OF THIS SUPPLEMENTARY SCHEDULE IS INCLUDED.

Any School District
Anywhere, South Carolina
Detailed Schedule of Due to
State Department of Education/Federal Government*

Program	Project Number	Description	Amount Due to SDE/Fed.Gov't
EIA	Subfund 345	Unexpended Funds	XX,XXX.XX
EIA	Subfund 365	Unexpended Funds	XX,XXX.XX
Child Development		Unexpended Allocation	XX,XXX.XX
Vocational Educ.	89VA001	Expenditure 115-300 claimed in excess of actual amount	XX,XXX.XX
JTPA	Grant Number	Unexpended Funds	XX,XXX.XX

*This schedule must be submitted. If no "Due to State Department of Education/Federal Government" is recorded in the balance sheet, then please indicate on schedule.

DETAILED SCHEDULE OF DEFERRED REVENUE

Detailed Schedule of Deferred Revenue in the Education Improvement Act and Target 2000 School Reform for the Next Decade

The South Carolina Department of Education requires a detailed schedule of balance sheet accounts of an LEA recorded as deferred revenue in the EIA Fund or the Target 2000 Fund for those subfunds which have carryover provisions. This schedule will allow the monitoring and final disposition of the following EIA subfunds:

EDUCATION IMPROVEMENT ACT	
Principal Incentive Pay	358 - 359
Teacher Incentive Pay	360 - 361
School Incentive Reward	387 - 388

TARGET 2000	
Dropout Prevention	820

A DETAILED EXAMPLE OF THIS SUPPLEMENTARY SCHEDULE IS INCLUDED.

Any School District
Anywhere, South Carolina
Detailed Schedule of Deferred Revenue in the Education Improvement Act and Target 2000 School Reform for the Next Decade Funds*

Program	Subfund Number	Amount Recorded as Deferred Revenue
EDUCATION IMPROVEMENT ACT		
Principal Incentive Pay	358	XX,XXX.XX
Teacher Incentive Pay	360	XX,XXX.XX
School Incentive Reward	387	XX,XXX.XX
TARGET 2000		
Dropout Prevention	820	XX,XXX.XX

*This schedule **must** be submitted. If no "Deferred Revenue" is recorded in the balance sheet for the Education Improvement Act and/or Target 2000, then please indicate on schedule.

FEDERAL FINANCIAL ASSISTANCE

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

An auditor's report on a schedule of federal financial assistance program expenditures is required by OMB Circular A-128. The schedule must show each federal financial assistance program as identified in the Catalog of Federal Domestic Assistance (CFDA). Federal programs which have not been assigned a catalog number should be identified separately under the caption "other federal assistance." This supplementary schedule should list all federal programs (major and nonmajor) administered by the LEA to facilitate identification by an agency of its federal assistance programs.

The information to be included on the schedule is as follows:

- Identification of the federal agency, program or grant title, and CFDA number
- SDE project number (If the federal program passed through the South Carolina Department of Education)
- The program award amount
- Beginning and ending balances
- Receipts or revenue recognized
- Expenditures for each program by grantor and total expenditures for each federal agency
- Other federal financial assistance (For use only when a CFDA number has not been assigned)
- Total federal financial assistance.

Catalog of Federal Domestic Assistance (CFDA)

All federal programs administered through the South Carolina Department of Education have been assigned a CFDA number by the federal government which differs from the project number assigned by the State Department of Education. To obtain the correct CFDA numbers of the federal programs of the LEA being audited, it will be necessary that the independent auditor review the project component code from a copy of the Payment to Counties listing which can be obtained from the SDE (see Appendix A) and cross referencing it with the CFDA listing following this section. Should the LEA be receiving federal funds from a source other than through the SDE, it will be necessary for the auditor to review the Catalog of Federal Domestic Assistance for the correct CFDA number. The Auditing and Field Services Section of the State Department of Education can provide assistance in determining the correct CFDA number.

It should be noted that the Food Service Fund usually consists of three federal revenue sources (School Breakfast, School Lunch, and Commodities) as well as state and local funding. The accounting system used by South Carolina public school districts does not allow for the segregation of expenditures by revenue or funding source in the Food Service Fund. Thus it will be necessary to report the total revenues and expenditures of the fund in the *Schedule of Federal Financial Assistance*. Disclosures will be necessary on the schedule denoting the limitations of the accounting system and indicating the total amount of state and local revenue included in the fund. The total combined expenditures reported in the Food Service Fund are to be used to determine Major/Nonmajor program as explained on page 16.1.

A detailed example of the supplementary schedule of federal financial assistance and the auditor's report on the schedule of federal financial assistance are included in this section.

ANYWHERE SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 19XX

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Accrued/(Deferred) Revenue at July 1, 19XX	Revenue	Expenditure	Accrued(Deferred) Revenue at June 30, 19XX
				Beginning Balance at July 1, 19XX			Ending Balance at June 30, 19XX
U.S. DEPARTMENT OF EDUCATION							
Direct Programs:							
Impact Aid	84.041	N/A	X,XXX,XXX	XX,XXX	X,XXX,XXX	X,XXX,XXX	XX,XXX
Passed through S.C. Department of Education:							
Chapter 1 - ESEA	84.010	89BA001	X,XXX,XXX	XX,XXX	X,XXX,XXX	X,XXX,XXX	XX,XXX
Chapter 2	84.151	89BB001	X,XXX,XXX	XX,XXX	X,XXX,XXX	X,XXX,XXX	XX,XXX
Voc. Ed.- Title II	84.048	89VA001	X,XXX,XXX	XX,XXX	X,XXX,XXX	X,XXX,XXX	XX,XXX
Voc. Ed.- Title II	84.048	89VB001	X,XXX,XXX	XX,XXX	X,XXX,XXX	X,XXX,XXX	XX,XXX
Voc. Ed.- Title II	84.048	89VC001	X,XXX,XXX	XX,XXX	X,XXX,XXX	X,XXX,XXX	XX,XXX
TOTAL U.S. DEPARTMENT OF EDUCATION				XX,XXX	X,XXX,XXX	X,XXX,XXX	XX,XXX
U.S. DEPARTMENT OF AGRICULTURE							
Passed through S.C. Department of Education							
Commodities	10.550	N/A	N/A	*SEE DISCLOSURE BELOW			
School Breakfast Program	10.553	N/A	N/A				
School Lunch Program	10.555	N/A	N/A				
TOTAL U.S. DEPARTMENT OF AGRICULTURE				XX,XXX	X,XXX,XXX	X,XXX,XXX	XX,XXX
OTHER FEDERAL ASSISTANCE							
U.S. Department of Defense							
Direct Programs:							
Air Force ROTC	—	N/A	X,XXX,XXX	XX,XXX	X,XXX,XXX	X,XXX,XXX	XX,XXX
TOTAL OTHER FEDEAL ASSISTANCE				XX,XXX	X,XXX,XXX	X,XXX,XXX	XX,XXX
TOTAL OTHER FEDERAL ASSISTANCE				XX,XXX	X,XXX,XXX	X,XXX,XXX	XX,XXX

***The accounting system used by South Carolina LEA's does not allow for the segregation of expenditures by fund sources in the Food Service Fund. Thus the total amounts displayed under "Total USDA" includes $XX,XXX of state and local revenue. the detailed schedule of Food Service may be found on page XX of this audit report.**

REPORT ON SUPPLEMENTARY INFORMATION--SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Independent Auditor's Report

We have audited the general purpose* financial statements of City of Example, Any State, for the year ended June 30, 19XX, and have issued our report thereon dated August 15, 19XX. These general purpose* financial statements are the responsibility of City of Example, Any State, management. Our responsibility is to express an opinion on these general purpose* financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose* financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose* financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose* financial statements of city of Example, Any State, taken as a whole. the accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose* financial statements taken as a whole.

[*Signature*]

[*Date*]

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*If the financial statements are for a component unit, the term *general purpose financial statements* should not be used. In the case of a component unit other than the oversight unit, the term *component unit financial statements* or just *financial statements* should be used. For the component unit financial statements of an oversight unit (see additional examples in the Statement of Position 89-6).

CFDA CROSS REFERENCE
(For USDA Programs)

In order to obtain the correct CFDA number for the National School Lunch Program and the School Breakfast Program, it will be necessary to obtain both the project component code and revenue account number provided in the Payments to Counties listing.

Project Component Code	Revenue Account Number	CFDA Number	Program Title
1032-80	4810	10.555	National School Lunch
1032-80	4830	10.553	School Breakfast
1032-90	4810	10.555	National School Lunch
1032-90	4830	10.553	School Breakfast

CFDA number 10.550 has been designated for the Food Distribution (Commodities) Program which passes from the USDA through the South Carolina Department of Education to Local Educational Agencies.

The Summer Food Service Program for Children is a DIRECT program from USDA to the Local Educational Agency. The program has been assigned CFDA number 10.599.

CFDA CROSS REFERENCE

PAYMENT TO COUNTIES PROJECT COMPONENT CODE	PROGRAM DESCRIPTION	FEDERAL GRANTOR	CFDA NUMBER
1032-00	SCHOOL FOOD SERVICES-DIST. AID	USDA	10.555
1001-70	CHAPTER I LOW INCOME	DEPT. OF EDUC.	84.010
1008-70	HANDICAPPED PRESCHOOL GRANT	DEPT. OF EDUC.	84.173
1009-70	TITLE VI PART B HANDICAPPED	DEPT. OF EDUC.	84.027
1013.70	HANDICAPPED DEAF-BLIND	DEPT. OF EDUC.	84.025
1050-70	TRANSITION PROG-REFUGEE CHILD	DEPT. OF EDUC.	84.146
1073-70	TITLE II, EESA	DEPT. OF EDUC.	84.164
1085-70	DRUG FREE SCHOOLS	DEPT. OF EDUC.	84.186
1091-70	ARCHITECTURAL BARRIERS PROJECT	DEPT.OF EDUC.	84.155
1001-80	CHAPTER I LOW INCOME	DEPT. OF EDUC.	84.010
1002-80	CHAPTER I MIGRANT	DEPT. OF EDUC.	84.011
1003-80	CHAPTER I HANDICAPPED	DEPT. OF EDUC.	84.009
1004-80	CHAPTER I NEGLECTED & DELINQUINT	DEPT. OF EDUC.	84.013
1007-80	CHAPTER II	DEPT. OF EDUC.	84.151
1008-80	HANDICAPPED PRESCHOOL GRANT	DEPT. OF EDUC.	84.173
1009-80	TITLE VI PART B HANDICAPPED	DEPT. OF EDUC.	84.027
1010-80	ADULT EDUCATION GRANT	DEPT. OF EDUC.	84.002
1013-80	HANDICAPPED DEAF-BLIND	DEPT. OF EDUC.	84.025
1032-80	SCHOOL FOOD SERVICES-DIST.AID	USDA	10.555
1033-80	HANDICAPPED PERSONNEL PREP.	DEPT. OF EDUC.	84.029
1036-80	APPALACHIAN REG. COMM. PROJECT	APP. REG. COMM.	23.012
1050-80	TRANSITION PROG-REFUGEE CHILDREN	DEPT. OF EDUC.	84.146
1071-80	VOCATIONAL EDUCATION - TITLE II	DEPT. OF EDUC.	84.048

CFDA CROSS REFERENCE--Cont.

PAYMENT TO COUNTIES PROJECT COMPONENT CODE	PROGRAM DESCRIPTION	FEDERAL GRANTOR	CFDA NUMBER
1072-80	VOCATIONAL EDUCATION - TITLE III	DEPT. OF EDUC.	84.049
1073-80	TITLE II, EESA	DEPT. OF EDUC.	84.164
1083-80	VOCATIONAL EDUC. - TITLE III CBO	DEPT. OF EDUC.	84.174
1085-80	DRUG FREE SCHOOLS	DEPT. OF EDUC.	84.186
1086-80	S.C. LEAD PROJECT	DEPT. OF EDUC.	84.178
1087-80	ROBERT C. BYRD HONORS SCHOLARSHIP	DEPT. OF EDUC.	84.185
1088-80	S.C. ASBESTOS INSP/MGMT PLAN	EPA	66.703
1089-80	EDUCATION OF HOMLESS CHILD	DEPT. OF EDUC.	84.196
1092-80	CDC AIDS SCHOOL HEALTH ED	HHS	13.118
1093-80	MCKINNEY HOMELESS - ADULT ED	DEPT. OF EDUC.	84.196
1001-90	CHAPTER I LOW INCOME	DEPT. OF EDUC.	84.010
1002-90	CHAPTER I MIGRANT	DEPT. OF EDUC.	84.011
1003-90	CHAPTER I HANDICAPPED	DEPT. OF EDUC.	84.009
1004-90	CHAPTER I NEGLECTED & DELINQUINT	DEPT. OF EDUC.	84.013
1005-90	CHAPTER I PRIVATE SCHOOLS	DEPT. OF EDUC.	84.216
1007-90	CHAPTER II	DEPT. OF EDUC.	84.151
1008-90	HANDICAPPED PRESCHOOL GRANT	DEPT. OF EDUC.	84.173
1009-90	TITLE VI PART B HANDICAPPED	DEPT. OF EDUC.	84.027
1010-90	ADULT EDUCATION GRANT	DEPT. OF EDUC.	84.002
1011-90	VOCATIONAL ED. NURSE TRAINING	DEPT. OF EDUC.	13.714
1013-90	HANDICAPPED DEAF-BLIND	DEPT. OF EDUC.	84.025
1018-90	HAMILTON CAREER CENTER-OCONEE	APP. REG. COMM.	23.012
1031-90	NUTRITION EDUC. & TRAINING	USDA	10.564

CFDA CROSS REFERENCE–Cont.

PAYMENT TO COUNTIES PROJECT COMPONENT CODE	PROGRAM DESCRIPTION	FEDERAL GRANTOR	CFDA NUMBER
1032-90	SCHOOL FOOD SERVICES-DIST.AID	USDA	10.555
1033-90	HANDICAPPED PERSONNEL PREP.	DEPT. OF EDUC.	84.029
1050-90	TRANSITION PROG-REFUGEE CHILDREN	DEPT. OF EDUC.	84.146
1071-90	VOCATIONAL EDUCATION - TITLE II	DEPT. OF EDUC.	84.048
1072-90	VOCATIONAL EDUCATION - TITLE III	DEPT. OF EDUC.	84.049
1073-90	TITLE II, PART A DEMSEA	DEPT. OF EDUC.	84.164
1083-90	VOCATIONAL EDUC. - TITLE III CBO	DEPT. OF EDUC.	84.174
1085-90	DRUG FREE SCHOOLS	DEPT. OF EDUC.	84.186
1086-90	S.C. LEAD PROJECT	DEPT. OF EDUC.	84.178
1089-90	EDUCATION OF HOMLESS CHILD	DEPT. OF EDUC.	84.196
1092-90	CDC AIDS SCHOOL HEALTH ED	HHS	13.118
1093-90	MCKINNEY HOMELESS - ADULT ED	DEPT. OF EDUC.	84.196
1094-90	DESEGREGATION RACE/SEX ORIG.	DEPT. OF EDUC.	84.004

INTERNAL CONTROL
AND
COMPLIANCE

INTERNAL CONTROL AND COMPLIANCE

The South Carolina Department of Education shall review the audit reports as to whether the LEA has internal control systems to provide reasonable assurance that it is managing federal assistance programs in compliance with applicable laws and regulations.

DEFINITION OF MAJOR PROGRAMS

The Single Audit Act and Circular A-128 make numerous references to "Major Federal Financial Assistance Programs." A major program is defined to be one for which federal expenditures during the fiscal year exceed the larger of $300,000 or three percent of the total federal expenditures of the LEA.

> Please note, *FOR THE FOOD SERVICE FUND ONLY*, expenditures are not segregated by funding source (federal, state or local). Therefore, the total expenditures, regardless of source of CFDA number, will be used in determining the "Major Program" classification.

INTERNAL CONTROL - ACCOUNTING

Review Made as Part of the Audit of the Financial Statements

Generally accepted auditing standards (GAAS) require the auditor to obtain an understanding of the internal control structure that is sufficient to plan an audit and assess control risk for the assertions made. The understanding is to identify the types of potential misstatements, to consider the factors that may affect the risk of material misstatement, and to design effective substantive tests.

Review Made in Accordance with the Single Audit Act and OMB A-128

The requirements for internal accounting control evaluations for audits performed in accordance with the Single Audit Act are more extensive than the requirements of GAAS. Accordingly, a complete study and evaluation of internal controls must be performed for those internal controls that are significant to the major federal programs (and/or those major\nonmajor programs that are needed to meet the 50% rule) regardless of whether the auditor intends to place reliance on such systems.

Fifty Percent (50%) Rule

A complete study and evaluation of internal accounting controls is required to be made for major programs. If there are no major programs, or if the total amount of major federal program expenditures is less than 50% of the LEA's total federal expenditures, the auditor should extend the study and evaluation to include controls over the largest nonmajor programs so that controls over at least 50% of federal program expenditures are studied and evaluated. A preliminary review of the internal accounting control systems relating to all other nonmajor programs should be made by the auditor.

INTERNAL CONTROL - ADMINISTRATIVE

Audits performed in accordance with the Single Audit Act and OMB Circular A-128 are required to include a study and evaluation of administrative internal controls to ensure that resources are used in conformance with laws, regulations, and policies. Administrative internal controls are segregated into general requirements and specific requirements.

A complete study and evaluation of the administrative controls that are significant to the major federal programs must be performed. This study and evaluation should include a thorough understanding of the control system and be documented. Also, a complete study of controls should include tests of the administrative controls to provide reasonable assurance that the procedures are being applied as prescribed.

If there are no major programs, or if the total amount of major federal program expenditures are less than 50% of the LEA's total federal expenditures, the auditor should extend the study and evaluation to include controls over the largest nonmajor programs so that over at least 50% of federal program expenditures have a complete study and evaluation. A preliminary review of the administrative control systems relating to all other nonmajor programs should be made by the auditor.

COMPLIANCE TESTING - MAJOR PROGRAMS

In performing an audit in accordance with Government Auditing Standards (GAGAS), the auditor assumes responsibilities beyond those in an audit in accordance with generally accepted auditing standards. two levels of review of compliance with laws and regulations are required by the Single Audit Act and Circular A-128.

The **FIRST LEVEL** is the more traditional approach followed in the examination of financial statements. The auditor must determine whether the LEA has complied with laws and regulations that may have a material effect on the financial statements. Designing the audit to provide reasonable assurance of detecting errors and irregularities that are material to the financial statements, as required by SAS 53, will meet compliance requirements by GAGAS.

The **SECOND LEVEL** requires the auditor to determine whether the LEA has complied with laws and regulations that may have a material effect on each major federal assistance program. To comply with this requirement, the auditor must:

- Perform auditing procedures designed to provide reasonable assurance of detecting material noncompliance with *SPECIFIC REQUIREMENTS* applicable to major programs. The specific requirements include types of services allowed or not allowed, eligibility, matching-level of effort, reporting and other special test provisions. (See SAS 63 paragraphs 49-53 and Appendix C)

- Test compliance with *GENERAL REQUIREMENTS* applicable to major programs. The general requirements include political activity, Davis-Bacon Act, civil rights, cash management, relocation assistance and real property acquisition, and federal financial reports. (See SAS 63 paragraphs 80-82 and Appendix C)

The auditor's objective, with respect to major programs, is to obtain reasonable assurance that the LEA has complied in all material respects with applicable laws and regulations. It must be determined whether the degree of any noncompliance could materially affect the allowability of program expenditures or could violate laws and regulations. A transaction sample, for each major program, that is representative of the total population should be selected and tested.

The auditor should exercise professional judgement in the selection and testing of representative samples of each major program. When making this selection of representative samples, the following factors should be considered:

- Adequacy of any existing internal control
- Amount of program expenditures
- Program newness to the LEA
- Prior experience with the program
- Program extent in contracting for goods and services
- Level of existing oversight by the SDE
- Expectation of adherence to laws and regulations

COMPLIANCE TESTING - NONMAJOR PROGRAMS

The Single Audit Act requires that transactions related to nonmajor programs selected in connection with the examination of general purpose financial statements and the study of internal controls be tested for compliance with federal laws and regulations.

If such transactions are selected, they should be tested for compliance with the specific requirements that apply to the individual transactions. The auditor does not have to address the general requirements of the specific requirements that apply to the program as a whole. (See SAS 63 paragraphs 85-86)

The Single Audit Guide incorporates compliance requirements for the majority of federal programs administered by the SDE. The requirements have been taken from the Compliance Supplement for Single Audits of State and Local Governments. The auditor should research the applicable statutes, the code of federal regulations, and other grant documents and appropriate manuals if the *Supplement* does not include a specific program to be reviewed.

AUDITOR'S REPORTS

The Single Audit Act and OMB circular A-128 require the auditor to report on internal control structure, on matters pertaining to compliance with laws and regulations, and on the supplementary schedule of federal financial assistance. The following reports should be issued in conjunction with an audit of an LEA. These reports are illustrated and explained in SAS 63 and *Audits of State and Local Governmental Units* with amendment dated August ll, 1989.

- Report on Supplementary Information - Schedule of Federal Financial Assistance

- Compliance Report Based on an Audit of General Purpose or Basic Financial Statements Performed in Accordance with Government Auditing Standards

- Reports on compliance with laws and regulations related to Federal Financial Assistance Programs as follows:

  Single Audit Opinion on Compliance with *SPECIFIC REQUIREMENTS* Applicable to *MAJOR* Federal Financial Assistance Programs

  Single Audit Report on Compliance with the *GENERAL REQUIREMENTS* Applicable to *MAJOR* Federal Financial Assistance Programs

  Single Audit Report on Compliance with Requirements Applicable to *NONMAJOR* Federal Financial Assistance Program Transactions*

  > *This report would be used if the auditor has selected *NONMAJOR* federal financial assistance program transactions, or if the entity has *NO MAJOR* programs.

- Schedule of Findings and Questioned Costs

  The auditor's report on compliance must contain a summary of all findings of noncompliance and an identification of total amounts questioned for each federal financial assistance program, as a result of noncompliance.

- Report on the Internal Control Structure in Accordance with Government Auditing Standards

- Report on Internal Controls (Accounting and Administrative) Based on a Study and Evaluation Made as a Part of an Audit of the General Purpose or Basic Financial Statements and the Additional Tests Required by the Single Audit Act

As an aide to Single Audit reporting, the following illustrations are provided. The illustrations take into consideration the LEA's Major programs, Non-Major programs, and the "50% rule" in order to determine testing and reporting requirements.

LEA with[1] MAJOR PROGRAMS ≥ 50% of TOTAL FEDERAL EXPENDITURES

	INTERNAL CONTROL TESTING	COMPLIANCE TESTING
MAJOR PROGRAMS	FULL STUDY AND EVALUATION *(ASLGU PARA. 21.6)	SPECIFIC REQUIREMENTS OPINION **(SAS 63 PARA. 73-79) GENERAL REQUIREMENTS POSITIVE AND NEGATIVE ASSURANCE (SAS 63 PARA. 80-84)
NON-MAJOR PROGRAMS	PRELIMINARY (ASLGU PARA. 21.13)	POSITIVE AND NEGATIVE ASSURANCE (SAS 63 PARA. 85-88)

[1] $300,000 or 3% of the Total Federal Expenditures

*ASLGU - Audits of State and Local Governmental Units Revised Edition

**SAS - Statement on Auditing Standards

LEA with MAJOR PROGRAMS > 0%, but < 50% OF TOTAL FEDERAL EXPENDITURES

	INTERNAL CONTROL TESTING	COMPLIANCE TESTING
MAJOR PROGRAMS	FULL STUDY AND EVALUATION *(ASLGU PARA. 21.6-21.14)	SPECIFIC REQUIREMENTS OPINION **(SAS 63 PARA. 73-79) GENERAL REQUIREMENTS POSITIVE AND NEGATIVE ASSURANCE (SAS 63 PARA. 80-84)
LARGEST NON-MAJOR PROGRAMS UNTIL AT LEAST 50% OF TOTAL FEDERAL EXPENDITURES ARE EXAMINED	FULL STUDY AND EVALUATION (ASLGU PARA. 21.12)	POSITIVE AND NEGATIVE ASSURANCE (SAS 63 PARA. 80-84)
OTHER NON-MAJOR PROGRAMS	PRELIMINARY (ASLGU PARA. 21.13)	POSITIVE AND NEGATIVE ASSURANCE (SAS 63 PARA. 85-88)

*ASLGU - Audits of State and Local Governmental Units Revised Edition

**SAS - Statement on Auditing Standards

188

LEA with NO MAJOR PROGRAMS

	INTERNAL CONTROL TESTING	COMPLIANCE TESTING
LARGEST NON-MAJOR PROGRAMS UNTIL AT LEAST 50% OF TOTAL FEDERAL EXPENDITURES ARE EXAMINED	FULL STUDY AND EVALUATION *(ASLGU PARA. 21.14)	POSITIVE AND NEGATIVE ASSURANCE **(SAS 63 PARA. 85-88)
OTHER NON-MAJOR PROGRAMS	PRELIMINARY (ASLGU PARA. 21.14)	POSITIVE AND NEGATIVE ASSURANCE (SAS 63 PARA. 85-88)

*ASLGU - Audits of State and Local Governmental Units Revised Edition

**SAS - Statement on Auditing Standards

The following examples of auditor's reports illustrate the various types of reports to be issued in selected situations. More complete examples of auditor's reports are found in the Statement of Position 89-6, Amendment dated August 11, 1989 to the AICPA's Audits of State and Local Governmental Units, 1986 Edition. **These examples are provided for illustrative purposes only and should not be used without modification according to the circumstances.**

COMPLIANCE REPORT BASED ON AN AUDIT OF GENERAL PURPOSE OR BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the general purpose financial statements of City of Example, Any State, as of and for the year ended June 30, 19XX, and have issued our report thereon dated August 15, 19XX.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to City of Example, Any State, is the responsibility of City of Example, Any State, management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants.* However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, City of Example, Any State, complied, in all material respects, with the provisions referred to in the preceding paragraph.** With respect to items not tested, nothing came to our attention that caused us to believe that the city had not complied, in all material respects, with those provisions.

This report is intended for the information of the audit committee, management, and [*specify legislative or regulatory body*]. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

[*Signature*]

[*Date*]

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*Based on assessments of materiality and audit risk, auditors may decide not to perform tests of compliance with certain provisions of laws, regulations, contracts, and grants. For example, an auditor may conclude that the transactions and balances directly affected by laws and regulations are not material to the financial statements taken as a whole. In such circumstances, *Government Auditing Standards*, in paragraph 6 on page 5-2, states that "...the report should contain a statement that the auditor did not test for compliance with laws and regulations." The auditor's report should not include a statement of positive assurance, however, the assessments of materiality and audit risk provide a basis for the auditor to conclude that the likelihood of material instances of noncompliance is low: Thus, the auditor has a basis for expressing negative assurance about compliance under *Government Auditing Standards*. The following is an illustration of the auditor's report on compliance when, based on assessments of materiality and audit risk, the auditor concluded that it was not necessary to perform tests of compliance with laws and regulations:

> [*First two paragraphs are the same as in the report illustrated in p. 16.9.*]
>
> Compliance with laws, regulations, contracts, and grants applicable to City of Example, Any State, is the responsibility of City of Example, Any State, management. As part of our audit, we assessed the risk that noncompliance with certain provisions of laws, regulations, contracts, and grants could cause the financial statements to be materially misstated. We concluded that

the risk of such material misstatement was sufficiently low that it was not necessary to perform tests of the City's compliance with such provisions of laws, regulations, contracts, and grants.

However, in connection with our audit, nothing came to our attention that caused us to believe that City of Example, Any State, had not complied, in all material respects with the laws, regulations contracts, and grants referred to in the preceding paragraph.

[*Fifth paragraph, signature, and date are the same as in the report illustrated in p. 16.9.*]

***Material instances of noncompliance* are failures to follow requirements or violations of prohibitions, contained in laws, regulations, contracts, or grants, that cause the auditor to conclude that the aggregation of misstatements (that is, the auditor's best estimate of the total misstatement) resulting from those failures or violations is material to the financial statements. When the auditor's procedures disclose material instances of noncompliance, the auditor should modify the statements of positive and negative assurance included in the report. The following is an illustration of the auditor's report on compliance when material instances of noncompliance are identified:

[*First three paragraphs are the same as in the report illustrated in p. 16.9.*]

Material instances of noncompliance are failures to follow requirements or violations of prohibitions, contained in laws, regulations, contracts, or grants, that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of our tests of compliance disclosed the following material instances of noncompliance, the effects of which have been corrected in the 19XX general purpose financial statements of City of Example, Any State.

[*Include paragraphs describing the material instances of noncompliance noted.*]

We considered these material instances of noncompliance in forming our opinion on whether the 19XX general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our reported dated August 15, 19XX on those general purpose financial statements.

Except as described above, the results of our tests of compliance indicate that, with respect to the items tested, City of Example, Ay state, complied, in all material respects, with the provisions referred to in the third paragraph of this report and with respect to items not tested, nothing came to our attention that caused us to believe that the city had not complied, in all material respects, with those provisions.

[*Last paragraph, signature, and date are the same as in the report illustrated in p. 16.9.*]

SINGLE AUDIT OPINION ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

We have audited City of Example, Any State, compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; [*describe any special tests and provisions*]; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended June 30, 19XX. The management of City of Example, Any State, is responsible for City of Example, Any State, compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the comptroller General of the United States, and Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about City of Example, Any State, compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying schedule of findings and questioned costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, city of Example, Any State, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; [*describe any special tests and provisions*]; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 19XX.

[*Signature*]

[*Date*]

SINGLE AUDIT REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

We have applied procedures to test City of Example, Any State, compliance with the following requirements applicable to each of its major federal financial assistance programs, which are identified in the schedule of federal financial assistance for the year ended June 30, 19XX: [*List the general requirements applicable to the entity's major federal financial assistance programs* (*such as political activity, Davis-Bacon Act, civil rights, cash management, relocation assistance and real property management, or federal financial reports*).]

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments* [*or describe alternative procedures performed*]. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on City of Example, Any State, compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the first paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that City of Example, Any State, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying schedule of findings and questioned costs.

This report is intended for the information of the audit committee, management, and [*specify legislative or regulatory body*]. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

[*Signature*]

[*Date*]

SINGLE AUDIT REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

In connection with our audit of the 19XX general purpose financial statements of City of Example, Any State, and with our study and evaluation of City of Example, Any State, internal control systems used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 19XX.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; and [*describe any special tests and provisions*] that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on City of Example, Any State, compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that City of Example, Any State, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying schedule of findings and questioned costs.

This report is intended for the information of the audit committee, management, and [*specify legislative or regulatory body*]. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

[*Signature*]

[*Date*]

Any School District
Anywhere, South Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 19XX

PROGRAM	FINDING/NON-COMPLIANCE	QUESTIONED COSTS (If Identifiable)
1. Vocational Aid	Anywhere High School ordered on May 17th, 19XX, the approved materials per the State Project. These materials were not received until after the close of the fiscal year. The date the goods are received, *not the date of the purchase order*, determines if the expenditure is allowable.	XX,XXX.XX
2. Chapter I	Anywhere Elementary School was found to be serving students not properly placed in the program. These students received supplementary math instruction, used math materials and were assigned math equipment. Also a kindergarten aid previously employed by the district and paid with local funds was transferred into the program on December 19XX. Comparability study indicated Anywhere Elementary violated supplement and not supplant cause.	XX,XXX.XX
3. Chapter II	The Supervisor's Salary paid totally from Chapter II funds was found to provide only 75% of time to the project. The remainder of time was spent acting as a curriculum specialist for Anywhere Middle School.	XX,XXX.XX
4. Education of the Handicapped	Equipment purchased through the project found to be located in the district office. This equipment, to be used exclusively for education of the handicapped, contained only tapes of board minutes, personnel interviews and in-service materials for secretaries.	XX,XXX.XX

THIS SCHEDULE MUST BE SUBMITTED. IF NO FINDINGS OR QUESTIONED COSTS COME TO THE INDEPENDENT AUDITOR'S ATTENTION, PLEASE INDICATE ON THE SCHEDULE.

REPORT ON THE INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the general purpose financial statements of city of Example, Any State, as of and for the year ended June 30, 19XX, and have issued our report thereon dated August 15, 19XX.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of city of Example, Any State, for the year ended June 30, 19XX, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of City of Example, Any State, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories [*identify internal control structure categories*].

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.
[*Include paragraphs to describe the reportable conditions noted.*]

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of City of Example, Any State, in a separate letter dated August 15, 19XX.

This report is intended for the information of the audit committee, management, and [*specify legislative or regulatory body*]. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

[*Signature*]

[*Date*]

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*This description of the scope of the auditor's consideration of the internal control structure is based on the provisions of SAS No. 55, *Consideration of Internal Control Structure in a Financial Statement Audit*. This description should not be used if the auditor has not implemented SAS No. 55. Rather, the description of the scope of the auditor's work should be based on the provisions of SAS No. 1, AU section 320, "The Auditor's Study and Evaluation of Internal Control." Following is an example of such a description:

> Our consideration of the internal control structure included all of the control categories listed above except that we did not evaluate the internal control structure over [*identify any category not evaluated*] because [*state reasons for excluding any category from the evaluation*]. The purpose of our consideration of the internal control structure was to determine the nature, timing, and extent of the auditing procedures for expressing an opinion on the general purpose financial statements.

If the auditor has not made a study and evaluation of any significant category of the internal control structure beyond the preliminary review phase described in AU section 320.53-55, a description of the scope of the auditor's work, such as the following should be used:

> Solely to assist us in planning and performing our audit, we made a study and evaluation of the internal control structure of City of Example, Any State. That study and evaluation was limited to a preliminary review of the structure to obtain an understanding of the control environment and the flow of transactions through the accounting system. Because [*state reason*], our study and evaluation did not extend beyond this preliminary review phase.

**Paragraph 17 of SAS No. 60, *Communication of Internal Control Structure Related Matters Noted in a Financial Statement Audit*, prohibits the auditor from issuing a written report representing that no reportable conditions during an audit, he or she may issue a report, such as the following, to satisfy the requirements of *Government Auditing Standards*:

> [*First through sixth paragraphs of the report are the same as those illustrated in this example.*]
>
> Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established

by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of City of Example, Any State, in a separate communication dated August 15, 19XX.

[*Last paragraph of the report is the same as that illustrated in this example*.]

REPORT ON INTERNAL CONTROLS (ACCOUNTING AND ADMINISTRATIVE)--BASED ON A STUDY AND EVALUATION MADE AS A PART OF AN AUDIT OF THE GENERAL PURPOSE OR BASIC FINANCIAL STATEMENTS AND THE ADDITIONAL TESTS REQUIRED BY THE SINGLE AUDIT ACT

[*The concepts of SAS Nos. 55,* Consideration of the Internal Control Structure in a Financial Statement Audit *and 63,* Compliance Auditing Applicable to Governmental Entities and Other Specified Recipients of Governmental Financial Assistance, *have a considerable effect on considerations auditors should make in reporting on internal control over federal financial assistance, as required by the Single Audit Act. The Government Accounting and Auditing Committee is developing guidance to amend the following example and paragraphs 21.6 through 21.16 of* Audits of State and Local Governmental Units, *which will, among other things, relate the concepts of this example and those paragraphs with those of SAS Nos. 55 and 63.*]

We have audited the general purpose financial statements of City of Example, Any State, for the year ended June 30, 19XX, and have issued our report thereon dated August 15, 19XX. As part of our audit, we made a study and evaluation of the internal control systems, including applicable internal administrative controls, used in administering federal financial assistance programs to the extent we considered necessary to evaluate the systems as required by generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, the Single Audit Act of 1984, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." For the purpose of this report, we have classified the significant internal accounting and administrative controls used in administering federal financial assistance programs in the following categories: [identify control categories]*

The management of City of Example, Any State, is responsible for establishing and maintaining internal control systems used in administering federal financial assistance programs. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control systems used in administering federal financial assistance programs are to provide management with reasonable, but not absolute,assurance that, with respect to federal financial assistance programs, resource use is consistent with laws, regulations, and policies; resources are safeguarded against waste, loss, and misuse; and reliable data are obtained, maintained, and fairly disclosed in reports.

Because of inherent limitations in any system of internal accounting and administrative controls used in administering federal financial assistance programs, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the systems to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study included all of the applicable control categories listed above. During the year ended June 30, 19XX, City of Example, Any State, expended X percent of its total federal financial assistance under major federal financial assistance programs. With respect to internal control systems used in administering major federal financial assistance programs, our study and evaluation included considering the types of errors and irregularities that could occur, determining the internal control procedures that should prevent or detect such errors and irregularities, determining whether the necessary procedures are prescribed and are being followed satisfactorily, and evaluating any weaknesses.

With respect to the internal control systems used solely in administering the nonmajor federal financial assistance programs of City of Example, Any State, our study and evaluation was limited to a preliminary review of the systems to obtain an understanding of the control environment and the flow of transactions through the accounting system. Our study and evaluation of the internal control systems used solely in administering the nonmajor federal financial assistance programs of City of Example, Any State, did not extend beyond this preliminary review phase.**

Our study and evaluation was more limited than would be necessary to express an opinion on the internal control systems used in administering the federal financial assistance programs of City of Example, Any State. Accordingly, we do not express an opinion on the internal control systems used in administering the federal financial assistance programs of City of Example, Any State. Further, we do not express an opinion on the internal control systems used in administering the major federal financial assistance programs of City of Example, Any State.

Also, our audit, made in accordance with the standards mentioned above, would not necessarily disclose material weaknesses in the internal control systems used solely in administering nonmajor federal financial assistance programs.

However, our study and evaluation and our audit disclosed the following conditions that we believe result in more than a relatively low risk that errors or irregularities in amounts that would be material to a federal financial assistance program may occur and not be detected within a timely period.*** (A description of the conditions that have come to the auditor's attention would follow; if the study and evaluation and the audit disclose no material weaknesses in relation to a federal financial assistance program, this sentence should state, "However, our study and evaluation and our audit disclosed no condition that we believe to be a material weakness in relation to a federal financial assistance program of City of Example, Any State," and the following paragraph should be omitted.)

These conditions were considered in determining the nature, timing, and extent of the audit tests to be applied in (1) our audit of the 19XX general purpose financial statements and (2) our audit and review of City of Example, Any State, compliance with laws and regulations noncompliance with which we believe could have a material effect on the allowability of program expenditures for each major federal financial assistance program and nonmajor federal financial assistance programs. This report does not affect our reports on the general purpose financial statements and on City of Example, Any state, compliance with laws and regulations dated August 15, 19XX.

This report is intended solely for the use of management and [*specify legislative or regulatory body*] and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by City of Example, Any State, is a matter of public record.

[*Signature*]

[*Date*]

*Following are examples of different ways in which accounting controls might be classified. The auditor should modify these examples or use other classifications as appropriate for the particular circumstances on which he or she is reporting.

Cycles of Entities' Activity
- Treasury or financing
- Revenue/receipts
- Purchases/disbursements
- External financial reporting

Financial Statement Captions
- Cash and cash equivalents
- Receivables
- Inventory
- Property and equipment
- Payables and accrued liabilities
- Debt
- Fund balance

Accounting Applications
- Billings
- Receivables
- Cash receipts
- Purchasing and receiving
- Accounts payable
- Cash disbursements
- Payroll
- Inventory control
- Property and equipment
- General ledger

Controls used in administering Federal Programs
Following are general and specific administrative control categories identified by representatives of the federal government (refer to chapter 22 of *Audits of State and Local Governmental Units*).

General Requirements
- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Relocation assistance and real property acquisition
- Federal financial reports

Specific Requirements
- Types of services
- Eligibility
- Matching, level of effort
- Reporting
- Cost allocation
- Special requirements, if any
- Monitoring subrecipients

**If total assistance expended under major federal financial assistance programs is greater than zero but constitutes less than 50 percent of total federal assistance expended by the government during the year under audit, the auditor should apply the guidance in chapter 21 of *Audits of State and Local Governmental Units* in order to satisfy the objectives of the Single Audit Act. When such guidance is applied, the fourth through seventh paragraphs of the report on internal controls used to administer federal financial assistance programs should be modified as follows:

> Our study included all of the applicable control categories listed above. During the year ended June 30, 19XX, City of Example, Any State, expended X percent of its total federal financial assistance under major federal financial assistance programs and the following nonmajor federal financial assistance programs: [*list appropriate nonmajor federal assistance programs*]. With respect to internal control systems used in administering these major and nonmajor federal financial assistance programs, our study and evaluation included considering the types of errors and irregularities that could occur, determining the internal control procedures that should prevent or detect such errors and irregularities, determining whether the necessary procedures are prescribed and are being followed satisfactorily, and evaluating any weaknesses.
>
> With respect to the internal control systems used solely in administering the other nonmajor federal financial assistance programs of City of Example, Any State, our study and evaluation was limited to a preliminary review of the systems to obtain an understanding of the control environment and the flow of transactions through the accounting system. Our study and evaluation of the internal control systems used solely in administering these nonmajor federal financial assistance programs of City of Example, Any State, did not extend beyond this preliminary review phase.
>
> Our study and evaluation was more limited than would be necessary to express an opinion on the internal control systems used in administering the federal financial assistance programs of City of Example, Any State. Accordingly, we do not express an opinion on the internal control systems used in administering the federal financial assistance programs of City of Example, Any State. Further, we do not express an opinion on the internal control systems used in administering the major federal financial assistance programs of City of Example, Any State.
>
> Also, our audit, made in accordance with the standards mentioned above, would not necessarily disclose material weaknesses in the internal control systems for which our study and evaluation was limited to a preliminary review of the systems as discussed in the fifth paragraph of this report.

If the government has no major federal financial assistance programs during the year under examination, the auditor should apply the guidance in chapter 21 of *Audits of State and Local Governmental Units* in order to satisfy the objectives of the Single Audit Act. When such guidance is applied, the fourth through seventh paragraphs of the auditor's report on internal controls used to administer federal financial assistance programs should be modified as follows:

> Our study included all of the applicable control categories listed above. During the year ended June 30, 19XX, City of Example, Any State, had no major federal financial assistance programs and expended X percent of its total federal financial assistance under the following nonmajor federal financial assistance programs: [*list appropriate nonmajor federal financial assistance programs*]. With respect to internal control systems used in administering these nonmajor federal financial assistance programs, our study and evaluation included considering the types of errors and irregularities that could occur, determining the internal control procedures that should prevent or detect such errors and irregularities, determining whether the necessary procedures are prescribed and are being followed satisfactorily, and evaluating any weaknesses.

203

With respect to the internal control systems used solely in administering the other nonmajor federal financial assistance programs of City of Example, Any State, our study and evaluation was limited to a preliminary review of the systems to obtain an understanding of the control environment and the flow of transactions through the accounting system. Our study and evaluation of the internal control systems used solely in administering these nonmajor federal financial assistance programs of City of Example, Any State, did not expend beyond this preliminary review phase.

Our study and evaluation was more limited than would be necessary to express an opinion on the internal control systems used in administering the federal financial assistance programs of City of Example, Any State. Accordingly, we do not express an opinion on the internal control systems used in administering the federal financial assistance programs of City of Example, Any State.

Also, our audit, made in accordance with the standards mentioned above, would not necessarily disclose material weaknesses in the internal control systems, for which our study and evaluation was limited to a preliminary review of the systems as discussed in the fifth paragraph of this report.

***All material weaknesses that have come to the auditor's attention during the audit should be described. Though only material weaknesses in the internal controls need be reported, the auditor may wish to report nonmaterial weaknesses to management. This may be accomplished in the auditor's letter to management or through some similar method of communication. If a letter to management is prepared, the auditor should refer to that communication in this report.

Government Auditing Standards, issued by the Comptroller General of the United States, states that well-developed findings concerning material weaknesses in internal controls generally consist of a statement of condition, the criteria, the effect, and the cause (see chapter 23 of *Audits of State and Local Governmental Units* for further explanation).

It is recognized that the auditor may not be able to fully develop all of these points for each material weakness found, given the scope and purpose of the control study. The auditor should attempt to identify the condition, criteria, effect, and cause to provide sufficient information to federal, state, and local officials to permit timely and proper corrective action. These findings may also serve as a basis for a federal agency's conducting or contracting for additional audit work.

Weaknesses identified relating to controls over nonmajor programs should be reported here or alternatively in a letter to management based on whether they are considered to be material or nonmaterial.

COMPLIANCE SUPPLEMENT
FOR SINGLE AUDITS

COMPLIANCE INDEX

General Compliance Requirements 17.3

Financial Compliance 17.10

Compliance - by Program

- Food Distribution (Commodities) 17.11
- National School Breakfast and Lunch Programs 17.14
- Job Training Partnership Act (JTPA) 17.22
- Appalachian regional Commission 17.27
- Adult Education 17.28
- Bilingual Education 17.30
- Chapter 1 .... 17.33
- Chapter 1 - Migrant 17.47
- Education of the Handicapped Children 17.54
- Carl D. Perkins Vocational Education Act 17.57
- Chapter 2 .... 17.61
- ROTC 17.67
- FEMA 17.68
- Impact Aid/Disaster Aid 17.72

COMPLIANCE SUPPLEMENT FOR SINGLE AUDITS OF LOCAL GOVERNMENTS

This section presents information on compliance as outlined in the "Compliance Supplement for Single Audits of State and Local Governments," issued by the U. S. Office of Management and Budget, (Revised April 1985). This supplement includes General Requirements, Program Objectives, Program Procedures, Compliance Requirements, and Suggested Audit Procedures as interpreted by the State Department of Education.

Each requirement is accompanied by suggested audit procedures that can be used to test for compliance. These are not the only procedures an auditor can use, nor are they mandatory procedures. Auditors may apply professional judgment and use any procedure of their choice to decide the extent of reviews and tests performed, and to determine such things as adequacy, timeliness, etc., as long as it supports his or her opinion regarding compliance or noncompliance with the specified requirements for the items tested.

If, during the course of an examination, Federal Projects are encountered which are not addressed, please contact the Auditing and Field Services Section of the Office of Finance at 253-4069 for information.

GENERAL REQUIREMENTS

Several statutory and regulatory requirements are applicable to all or most federal assistance programs. The following are those requirements that involve significant national policy and for which noncompliance could have a material impact on an organization's financial statements. Accordingly, they should be included as part of every audit that encompasses federal financial assistance.

I. Political Activity

Compliance Requirement

Federal funds cannot be used for partisan political activity of any kind by any person or organization involved in the administration of federally assisted programs. Hatch Act (5 U.S.C. 1501-1508) and Intergovernmental Personnel Act of 1970 as amended by Title VI of Civil Service Reform Act (P.L. 95-454 Section 4728).

Suggested Audit Procedures

. Test the expenditure and related records for indications of lobbying activities, publications, or other materials intended for influencing legislation or similar type costs.

. Test the personnel and payroll records, and identify persons whose responsibilities or activities include political activity.

. Test whether the above costs, if any exist, are charged directly or indirectly to federally-assisted programs.

II. Davis-Bacon Act

Compliance Requirement

When required by the Federal grant program legislation, all laborers and mechanics employed by contractor or subcontractors to work on construction projects financed by Federal assistance, must be paid wages not less than those established for the locality of the

208

project by the Secretary of Labor. (40 Stat. 1494, Mar. 3, 1921, Chap. 411, 40 U.S.C. 276A-276A-5).

Suggested Audit Procedures

. Identify the programs involving construction activities.

. Review selected construction contracts and subcontracts and determine whether they contain provisions requiring the payment of "prevailing" wages.

. Review the government's system for monitoring applicable contractors and subcontractors with respect to payment of prevailing wages and evaluate for adequacy.

. Review the monitoring system for contracts for selected programs and determine whether there is adherence to the prescribed procedures.

For governments who have not developed a system, or whose system is not operating effectively:

. Obtain the 'local' DOL wage determination from the recipient, the architect/engineer (A/E) managing the project, or DOL.

. Obtain payroll lists from contractors and review wages paid.

. Determine whether wages paid conform to the prevailing wages.

III. Civil Rights

Compliance Requirement

No person shall, on the grounds of race, color, national origin, age or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in the whole or in part, by Federal funds. Discrimination on the basis of sex or religion is also prohibited in some Federal programs. (Age - 42 U.S.C. 6101 et seq.; Race - 42 U.S.C. 2000d; Handicap - 29 U.S.C. 794).

Suggested Audit Procedures

. Determine whether the governmental unit has announced a formal policy of nondiscrimination.

. For recipients employing 15 or more persons, ascertain whether a person has been designated to oversee civil rights compliance.

. Ascertain from the grant agreement whether any of the programs contain prohibitions against discrimination on the basis of sex or religion.

. Ascertain the number of complaints filed with Federa, state and/or local agencies responsible for ensuring nondiscrimination in government programs during the fiscal year, the status of unresolved complaints or investigations, and the actions taken on resolved complaints or completed investigations.

. Ascertain whether any of the programs contain prohibitions against discrimination in employment; for those programs (1) review the annual report filed with the Equal Employment Opportunity Commission (EEOC), if any, and (2) ascertain the number of complaints filed during the fiscal year, the status of unresolved complaints and investigations, and the actions taken on resolved complaints or completed investigations.

. Determine whether facilities financed by Federal funds that are required to be located in a nondiscriminatory manner are so located.

. Obtain representation and/or attorney letters to determine if any civil rights suits have been adjudicated or are pending.

IV. Cash Management

Compliance Requirement

Grantee financial management systems shall include procedures to minimize the time elapsed between the transfer of funds from the U. S. Treasury and the disbursement of funds by the grantee.

Advances made by primary recipients to secondary recipients shall conform substantially to the same standards of timing and amount as apply to advances by Federal agencies to primary recipient organizations (OMB Circular A-102, Attachment G; Intergovernmental Cooperation Act of 1968, P.L. 90-577 (Sec. 403), as amended by P.L. 96-470, Title I, Sec. 101(b)).

Suggested Audit Procedures

. Review the government's cash forecasting process and evaluate for adequacy.

. Review the government's cash system for requesting Federal funds and evaluate whether it is adequate to keep Federal cash disbursements limited to the government's immediate needs.

. For selected grant programs, determine dates and amounts for selected advances, drawdowns and other receipts of Federal funds and compare to the dates the funds were disbursed and/or checks were presented to the banks for payments.

. For the same programs, evaluate the size of the balances in relation to the program's needs.

. Review the government's system for monitoring advances and payment requests by secondary recipients. Evaluate whether the system is sufficient to limit payments to amounts needed to meet immediate cash requirements.

. Review selected cash reports submitted by subrecipients and determine if the reports show large amounts of excess cash. If they do, ascertain why.

V. Relocation Assistance and Real Property Acquisition

Compliance Requirement

Federal aid programs may require the acquisition of property by a public agency and subsequent displacement of households and businesses.

Grant recipients acquiring property in the administration of Federal aid must carry out certain actions systematically, e.g., have property appraised in presence of owner, review appraisals, set price and negotiate settlements. Similarly, when displacements (relocations) are involved, the recipient must, for example, provide assistance systematically in locating replacement housing, assure that it meets acceptable standards and maintain records on all acquisitions and displacements. (Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (P.L. 91-646)).

Suggested Audit Procedures

. Ascertain whether the recipient is administering a Federal or federally-assisted program that involves the acquisition of property or the displacement of households or businesses by a public agency.

. Review the organization's system for compliance with relocation assistance and real property acquisition requirements and evaluate for adequacy.

. Review the monitoring system for relocation and acquisition activity for selected programs and determine whether there is adherence to the prescribed procedures.

VI. Federal Financial Reports

Compliance Requirement

Most Federal programs require the periodic submission of financial reports that fall within one or more of the following three categories. The specific requirement for each grant program is presented in the Reporting Requirements (III-D) section for that program. The suggested audit procedures are provided below to facilitate the requirement for the auditor to comment on completeness and accuracy required by Attachment P, OMB Circular A-102 "Uniform Requirements for Grants to State and Local Governments"; and Treasury Circular 1075, "Withdrawal of Cash from the Treasury for Advances under Federal Grant and Other Programs."

1. OMB Circular A-102, Attachment H - Lists four required financial reports that apply to most of the programs described in this document.

Financial Status Report (SF 269) - Reports status of funds for all nonconstruction programs.

Request for Advance or Reimbursement (SF 270) - Requests funds for nonconstruction programs when advance letter of credit or predetermined advance payments are not used.

Outlay Report and Request for Reimbursement for Construction Programs (SF 271) - Requests reimbursements and reports status of funds for construction programs.

Federal Cash Transactions (SF 272) - Reports cash transactions and balances for grantees receiving cash by letter of credit or Treasury checks.

2. Treasury Circular 1075 lists two alternative cash management reports, one of which applies to each program financed through letters-of-credit:

Request for Payment on Letter of Credit and Status of Funds Report (SF 183)

Payment Voucher on Letter of Credit (TSF 5401).

3. Certain Federal agencies have received OMB approval to adapt the above reports or require other financial reports to meet their particular program needs.

Suggested Audit Procedures

. Review the procedures for preparing the Federal financial reports and evaluate for adequacy.

. Sample Federal financial reports for each material program and review for completeness and timeliness of submission.

. Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

. Review adjustments made to the general ledger amounts in the report affecting Federal programs and evaluate for propriety.

VII. SDE Financial Reports

Compliance Requirement

Periodic submission of expenditure reports (SDE Forms 42-060b-00 through 42-066b-00) are used to obtain most Federal financial assistance which pass through the State Department of Education (SDE) to the Local Educational Agency (LEA).

Suggested Audit Procedures

. Review procedures for preparing SDE financial reports and evaluate for adequacy.

. Sample SDE financial reports for each material program and review for completeness and timeliness of submission.

. Trace data to the supporting documentation, i.e., worksheets, ledgers, etc.

. Review adjustments made to general ledger amounts which affect financial reports sent to the SDE and evaluate for propriety.

. Compare "Project Accounting Master" (Available from the South Carolina Department of Education) to the General Ledger.

FINANCIAL COMPLIANCE

While the monitoring of monthly expenditure claims submitted by the LEA's to the SDE is normally completed by Department personnel, it will be necessary for the independent auditor to perform an additional audit step involving comparison of actual revenue and expenditures to the budgeted revenues and expenditures by project or appropriation. This is necessary because past experience has indicated many deviations from the approved expenditure plans to the submitted claims and the actual general ledger postings.

No Budget Deviation

1. Vocational
2. Adult Education
3. ARC

5% Budget Deviation

1. Chapter I
2. Chapter II
3. Title VI-Handicapped
4. EIA
5. Target 2000

Note: The 5% Budget Deviation Regulation applies by line item. Projects funded by the state may allow for budget deviation. It will be necessary to review the applicable state project's regulations.

Not Applicable

1. School Lunch/Breakfast

FOOD DISTRIBUTION (COMMODITIES)

(CFDA 10.550)

I. Program Objectives

The objective of the Food Distribution Program is to improve the diets of school children and to increase the market for domestically produced foods acquired under surplus removal or price support operations.

II. Program Procedures

The program involves food being made available to a designated state agency such as a state department of education for distribution to recipient agencies such as schools. The food may not be sold, exchanges or otherwise disposed of without prior, specific approval of the United States Department of Agriculture. The Food and Nutrition Service (FNS), the administering Federal agency, also provides funds to defray, in part, the operating expenses incurred in administering the food distribution program. The states may also enter into an agreement, called a processing contract, with a commercial organization to use USDA donaged commodities to manufacture and deliver specific food products to eligible recipients.

III. Compliance Requirements and Suggested Audit Procedures

A. Eligibility

Compliance Requirement

Donated foods can be distributed only to recipient agencies: (a) schools participating in the national school lunch or school breakfast programs, (b) public or priate charitable institutions, (c) nonprofit summer camps for children, (d) agencies administering programs under Title III and Title VI of the Older Americans Act, (e) state correctional institutions, (f) service institutions which participate in the Summer Food Service Program, (g) nonresidential child care institutions participating in the Child Care Food Program., and (h) disaster organizations (7 CFR 250.6 and 250.8 and P.L. 97-35, sec. 803(a)).

Suggested Audit Procedures

- Review procedures for distributing the donated foods, including safeguards for assuring distribution by distributing agencies to only eligible agencies and recipients, and evaluate for adequacy.
- Review files for selected shipments of food and determine whether there was adherence to the prescribed procedures.
- Determine if the school district has transferred any donated foods to another recipient agency. All such transfers must be approved by the distributing agency.

B. Matching, Level of Effort, and/or Earmarking Requirements

There are no matching, level of effort or earmarking requirements.

C. Special Tests and Provisions

Compliance Requirement

Recipient agencies (School District) are required to distribute donated foods to eligible recipients (schools) in accordance with their agreement with the distributing agency (7 CFR 250.6).

Suggested Audit Procedures

- Review agreement with distributing agency.
- Review system for receipt and distribution of food and evaluate for conformance with agreement.
- Observe or review manner in which food is distributed.

- Review refund application file to assure that all refund item requests are substantiated by purchase invoices, that appropriate refund checks have been received, and all refunds deposited to the School Food Service account.
- "Observe or review manner in which food is distributed." Commodity code items prefixed by an "*A*" should be distributed on a "fair share" percentage ratio of the school's lunches to the district total lunches. (Note: After initial "fair share" allocation adjustments may be made based upon such factors as currect inventory level, usage rates, storage facilities, food preferences, meal requirements.)

Compliance Requirement

Recipient agencies are required to maintain accurate and complete records with respect to the receipt, disposal, and inventory of donated foods (7 CFR 250.6(r)).

Suggested Audit Procedures

- Review files for selected allocations of foods to determine if a Form FD-3 *Notice of Issue* was submitted to the distribution warehouse for the quantity(ies) indicated on the Form FD-2 *Notice of Arrival* and that individual school delivery invoices match allocated quantities on the Form FD-3 (or if Form FD-3 not submitted or quantities not delivered that they are documented as warehouse inventory.
- For selected foods, review to determine if total receipts have been used as documented on meal production records or that any difference is on hand as available inventory.
- Review to determine if there have been any donated food losses of $100 or more and that these losses, if any, have been reported to the distributing agency by use of a Form SLP-16 *Report of Loss*.
- Review Recipient Agency (R/A) History Report to determine if all allocated foods have been properly accounted for.

218

NATIONAL SCHOOL BREAKFAST PROGRAM (CFDA 10.553)
AND
NATIONAL SCHOOL LUNCH PROGRAM (CFDA 10.555)

I. Program Objectives

The objectives of the National School Breakfast and National School Lunch Programs are to (1) through the cash grants and food donations, assist in making breakfast and lunch available to school children and (2) encourage the consumption of agricultural commodities and other foods.

II. Program Procedures

The programs are operated at the local level by a School Food Authority (SFA), which is reimbursed by the State at rates prescribed by the Federal Government. Payments are made for breakfasts and lunches served to children based on prescribed rates multiplied by the number and category of meals served. Commodities are distributed to SFA's based on projected levels of service.

III. Compliance Requirements and Suggested Audit Procedures

A. Eligibility

Compliance Requirement

The SFA must properly approve applications submitted in accordance with federal eligibility standards (7 CFR 245.6(b)).

Suggested Audit Procedures

- Ascertain that eligibility guidelines were submitted to the local media and if application approval is based upon the family size and income scale prescribed in the Free and Reduced Price Meal Policy Statement. Using the following schedule, select the minimum number of schools to be reviewed.

Number of Schools in the School Food Authority	Minimum Number of Schools To be Reviewed
1-5	1
6-10	2
11-20	3
21-40	4
41-60	6
61-80	8
81-100	10

The number of schools in the School Food Authority is based upon the number of schools participating in the National School Lunch Program.

- In the schools selected, review an appropriate number of applications to assure they are complete and verify for accuracy. A complete application must have the following information:

1. Name of child (or children where family application is used)
*2. Total household income *plus* income shown by person and source
*3. Names of all household members
*4. Social Security numbers of all adult household members (ages 21 and over) or an indication that a household member does not possess one
5. Signature of an adult member of the family
6. A determination by the principal or a designated representative as to whether an application is free, reduced, denied or temporarily free or reduced. (Guidelines as to temporary income and eligibility are also an integral part of the policy statement.)

*Please note when a food stamp or Aid to Families with Dependent Children (AFDC) case number is provided, numbers 2, 3, and 4 are not required.

- Meals served are delineated by school each month in support of the consolidated financial report (SLP-4). In another sample of schools (see preceding schedule) determine the number of free and reduced price meals claimed for reimbursement and determine whether it exceeds the number of approved applications by accepting the number of free and reduced applications on file and comparing on a daily basis to the number of meals claimed making use of forms SLP-4, SBP-2, and SLP-2.

B. Reporting Requirements

Compliance Requirement

The SFA must use program funds for program purposes (7 CFR 210.7(b)). The SFA must account for all revenues and expenses of the nonprofit school food service as prescribed by the State's financial management system (7 CFR 210.14(a-1) and 220.13(i)).

Suggested Audit Procedures

- Ascertain that expenses are for program purposes, i.e. (1) Salary expenses are for persons who are school food service employees; (2) Indirect costs are not charged to direct program expenditures. If the school district elects to recover any portion of the indirect cost attributable to School Food Service, use Account 432-791, Indirect Cost as a transfer to the General Fund. Ascertain that the charge is a direct expense to the School Food Service Fund as designated in the revised chart of accounts for the School Food Service Fund and not through the transfer account.

CANTEEN OPERATIONS

- Ascertain that all canteen operations managed by the School Food Service Program be strictly operated on a vending type arrangement, where all cost incurred plus profit must be taken "up front" monthly by School Food Service acting in the capacity of vendor. (This includes all vended products, prepackaged and prepared foods.)

- Ascertain that once the initial vending has occurred and "up front" charges are taken, no assets have been transferred from the Pupil Activity Fund back to the School Food Service Fund. (Ensure that no splitting of profits, predetermined or otherwise, is occurring in this type of operation.)

- Ascertain that all School Food Service costs incurred in vending to the canteen operation for purchased food, supplies and USDA commodities is not reflected on the SLP-4 under items 9(A)-(B)-(C).

- Ascertain that all profits received from managing the canteen operation by the School Food Service Program be posted in the General Ledger under account number 1992 and reported on the SLP-4 under "Other - Local Revenue."

- Ascertain that the Canteen Fund is closed to the Pupil Activity Fund at year-end.

- Ascertain that all School Food Service assets and liabilities are segregated on the balance sheet when this fund is reflected as a "Special Revenue Fund."

- Ascertain that revenues and expenses recorded on the General Ledger in appropriate categories are equal to amounts that have been recorded on the SLP-4 reports which have been forwarded to the SDE. If any adjusting entries are recorded in the General Ledger at the year end, an amended June SLP-4 form should be forwarded as soon as possible by the SFA to the SDE.

- Determine that the value of USDA Commodities used is recorded as a revenue and an expense on the General Ledger, and that the value of USDA commodities remaining on hand at year end is recorded on the Balance Sheet as "Commodities Inventory" in the asset section and as "Revenue Received in Advance/Deferred Revenue" in the liability section.

- Ascertain that the value of supplies and purchased food remaining on hand at year end has been properly recorded as assets on the Balance Sheet of the SFA.

- If Food Service Fund reflects fringe benefits expenses, insure that the SFA is in compliance with the formula outlined in SFS Memorandum #23 addressed to the district superintendent, dated June 30, 1989. Ensure that no prior year fringe benefits are charged to the School Food Service Fund. Ensure that if the district's accounting system is designed to charge salaries plus fringe benefits to the School Food Service Fund, the following criterion is met:
    1. A transfer of revenue from the General Fund to the School Food Service Fund equals the fringe benefits charged minus the shortfall portion.
    2. This transfer is made at the same time the fringe benefits are charged to the School Food Service Fund.
    3. Indirect cost is claimed only on the shortfall portion of this allocation of State fringe benefits.

- If the Food Service Fund reflects indirect cost expenses, ensure that no prior year indirect cost are charged to the School Food Service Fund. The indirect cost rates may be obtained from the listing on page 17.20 and 17.21.

- Ascertain that item 7 on SLP-4, State Costs, reflects only funds paid from the state allocation. (Revision to item 7 as well as other revisions should be submitted to the State Agency (SA) by the SFA as soon as the district's School Food Service portion of the audit is completed.)

- Ascertain if the SFA has allowed the Food Service Fund to make "loans" for use in other school system operations. USDA requirements allow borrowing from the food service fund only if the following conditions are met:

1. The SFA has accumulated excess net cash resources with the approval of the State Agency (SA) for the purpose of meeting a defined future program need.
2. All of the SFA's current food service program needs are fully funded.
3. The loan is formally established at a competitive interest rate and is made for a short duration of time (no more than one year).
4. The SFA seeks and receives prior SA approval for each loan and notifies the SA when repayment is completed.
5. Duration and repayment must be in accordance with planned use (i.e., purchase of equipment). Note, however, that if the loan is not repaid on schedule, the loaned funds would be considered misappropriated funds and the State Agency would take corrective measures which could include the suspension of reimbursement.

Office of School Food Services
Indirect Cost Rates

District	1989-90 Indirect Cost Rates
Abbeville	9.85
Aiken	12.45
Allendale	10.69
Anderson #1	12.44
Anderson #2	10.45
Anderson #3	7.20
Anderson #4	11.22
Anderson #5	12.29
Bamberg #1	9.20
Bamberg #2	9.37
Barnwell #19	10.78
Barnwell #29	8.83
Barnwell #45	10.00
Beaufort	14.63
Berkeley	11.39
Calhoun	10.45
Charleston	11.53
Cherokee	9.91
Chester	11.58
Chesterfield	12.23
Clarendon #1	8.03
Clarendon #2	8.55
Clarendon #3	9.00
Colleton	9.16
Darlington	10.83
Dillon #1	8.65
Dillon #2	12.17
Dillon #3	8.66
Dorchester #2	9.93
Dorchester #4	10.79
Edgefield	11.07
Fairfield	17.71
Florence #1	12.23
Florence #2	11.44
Florence #3	10.23
Florence #4	11.48
Florence #5	9.79
Georgetown	15.85
Greenville	16.91
Greenwood #50	12.11
Greenwood #51	10.88
Greenwood #52	9.54
Hampton #1	7.62
Hampton #2	13.47
Horry	12.27
Jasper	14.66

Office of School Food Services
Indirect Cost Rates--cont'd

District	1989-90 Indirect Cost Rates
Kershaw	13.67
Lancaster	11.64
Laurens #55	9.82
Laurens #56	9.92
Lee	9.79
Lexington #1	10.70
Lexington #2	10.36
Lexington #3	10.48
Lexington #4	11.38
Lexington #5	13.70
McCormick	9.73
marion #1	10.69
Marion #2	11.00
Marion #3	9.11
Marion #4	10.40
Marlboro	11.07
Newberry	11.34
Oconee	11.05
Orangeburg #1	8.79
Orangeburg #2	9.15
Orangeburg #3	9.64
Orangeburg #4	11.30
Orangeburg #5	19.60
Orangeburg #6	11.05
Orangeburg #7	11.95
Orangeburg #8	9.19
Pickens	11.97
Richland #1	19.74
Richland #2	16.25
Saluda	7.95
Spartanburg #1	10.77
Spartanburg #2	9.92
Spartanburg #3	11.08
Spartanburg #4	8.25
Spartanburg #5	10.59
Spartanburg #6	12.33
Spartanburg #7	13.95
Sumter #2	12.74
Sumter #17	15.88
Union	10.75
Williamsburg	9.93
York #1	13.16
York #2	13.25
York #3	14.64
York #4	12.61

JOB TRAINING PARTNERSHIP ACT

(CFDA 17.246 THRU 17.250)

I. Program Objective

The objective of the Job Training Partnership Act (JTPA) is to provide funds to States to use to establish programs to prepare youth and unskilled adults for entry into the labor force. These programs should afford job training to those economically disadvantaged individuals and other individuals facing serious barriers to employment and who are in special need of such training to obtain productive employment.

II. Program Procedures

Except for funds made available under Section 301a of the Act, funds are obtained by the States upon submission of a coordination and special services plan to the Secretary of labor, in accordance with a pre-defined formula, and then distributed to Service Delivery Areas established by the Governor under Title I of the Act. The Service Delivery Areas provide training services for the disadvantaged under Title II of the Act and employment and training assistance for dislocated workers under Title III of the Act.

III. Compliance Requirements and Suggested Audit Procedures

The following audit procedures are general in nature. The Office of the Governor, Employment and Training Division publishes the JTPA Specific Audit Guide which should be used when conducting audits of JTPA programs.

A. Types of Services Allowed and Unallowed

Compliance Requirement

Funds can be expended for training, administration and participant support in accordance with guidelines on allowable costs issued by the Governor (20 CFR 629.37-38).

Not less than 70 percent of Titles I, II-A and III funds may be expended for training costs. Training costs include costs associated with on-the-job training services; employer outreach necessary to obtain job listings or job training opportunities; salaries, fringe benefits, equipment and supplies of personnel directly engaged in providing training (including remedial education); job related counseling for participants; employability assessment and job development; job search assistance (including preparation for work and labor market orientation); books and other teaching aids; equipment and materials used in providing training to participants; classroom space and utility costs; tuition and entrance fees that represent instructional costs which have a direct and immediate impact on participants; 50 percent of the costs of a limited work experience program; and 250 hours of youth tryout employment training costs. (20 CFR 629.38(e)(1)).

Administration costs are limited to 15 percent of the available funds (20 CFR 629.39(a)(2)).

Administrative and participant support costs combined are limited to 30 percent of the available funds, unless waived by the Governor (20 CFR 629.39(a)(2)).

No funds made available under Titles I, II-A or III may be used for public service employment (20 CFR 629.2).

Suggested Audit Procedures

- Review Governor's guidelines.
- Ascertain available funds.
- Test expenditure and related records.
- Examine Governor's waivers.
- Compare actual to maximum allowable cost.

B. Eligibility

Compliance Requirement

Each administrative entity is responsible for the eligibility of those enrolled in its programs. Administrative entities may delegate eligibility determinations, if the delegation and related safeguards are included in an approved job training plan (P.L. 97-300, Sec. 141(i)).

Suggested Audit Procedures

- Review the eligibility determination system and evaluate for adequacy.
- Review selected participant files and determine the appropriateness of eligibility determinations.

C. Matching Level of Effort and/or Earmarking Requirements

Compliance Requirements

Cooperative agreements between State Education agencies, administrative entities in Service Delivery Areas, and local education agencies shall provide for a contribution by the State agencies and local education agencies of an amount equal to the Federal funds provided (P.L. 97-300, Sec. 123(b); 20 CFR 629.40).

In order to qualify for Title III employment and training assistance for dislocated workers, a State shall expend for purposes of services under this title, an amount from public or private non-Federal sources equal to the Federal funds made available to the State under JTPA Section 301 (b) (P.L. 97-300, Section 304(a)(1); 20 CFR 631.14).

Suggested Audit Procedures

- Ascertain the total allocations for cooperative agreements and Title III.
- Review the financial records and ascertain the amount and source of the contributions.

Compliance Requirement

Funds provided by the Federal Government shall be used only for activities which are in addition to those which would otherwise be available in the area in the absence of such funds (P.L. 97-300, Sec. 141(b) and (h); 20 CFR 629.1(a)).

Suggested Audit Procedures

- Review financial reports and records for the previous year and determine amount of recipient's funds expended to provide employment and training services similar to those provided for in the Act.
- Determine amount of funds provided by the recipient for those services for the current year.

D. Reporting Requirements

Compliance Requirement

Reports prescribed by the Secretary of Labor must be submitted quarterly the first year and annually thereafter (20 CFR 629.36(a)).

Suggested Audit Procedures

- Ascertain reporting requirements prescribed by the Secretary of Labor.
- See Federal Financial Reports (VI) in the GENERAL REQUIREMENTS section of this document for procedures pertaining to Financial Reporting Requirements.
- Obtain copies of other reports and determine timeliness of submission.
- Trace data in selected reports to supporting documentation.

E. Special Tests and Provisions

Compliance Requirement

The State is responsible for assuring that financial and compliance audits are conducted of each SDA grant and other subrecipients of funds under Titles II and III of this Act, with the exception of subrecipients exempted from the audit requirements by the Secretary or the cognizant Federal audit agency. (P.L. 97-300, Sec. 164(a)(2); 20 CFR 629.42(a)(c).

Suggested Audit Procedures

. Determine whether there is a State requirement set forth in statute or regulations or included in contracts and agreements, that applies to organizations receiving block grant funds that require audits consistent with the Comptroller General's audit standards.

. Review the manner in which the State ensures that auditors are advised of JTPA grant financial and compliance audits.

. Ascertain whether the State reviews the audit reports for JTPA grant subrecipients for adequacy of the audit and reported deficiencies and then follows up accordingly; review the procedures and evaluate for adequacy.

Compliance Requirement

The Governor shall submit an audit resolution report, documenting the disposition of reported questioned costs, within a timely period after submission of the audit report (20 CFR 629.42(d)).

Suggested Audit Procedures

. Review the audit resolution report.

. Select a sample of actions reported in the report and trace disposition.

APPALACHIAN REGIONAL COMMISSION VOCATIONAL EDUCATION EQUIPMENT PROJECTS FOR LEA VOCATIONAL/TECHNICAL PROGRAMS

(CFDA 23.012)

I. Program Objective

To provide advanced technological equipment for vocational/technical programs in the Appalachian Region.

II. Program Procedures

All proposed projects must be submitted to the Governor's Office by applicants for State approval. Projects which receive the Governor's concurrence are transmitted by the State to Appalachian regional Commission (ARC) for final approval. Funds for ARC approved projects are transferred to the United States Department of Education (DOE) for grant administration and disbursement of funds to the applicant, which in the case of a school district and/or technical college occurs via the South Carolina Department of Education (SDE).

III. Compliance Requirements and Suggested Audit Procedures

A. Types of Services Allowed or Unallowed

Compliance Requirement

Federal funds can be used only for costs which were in accordance with the conditions contained in the ARC agreement, incurred subsequent to the date of authorization to proceed, based on a recorded liability or cash disbursement (net of applicable credits) and for which procedures for managing equipment purchased are being instituted.

Suggested Audit Procedures

- Review the ARC award
- Test the expenditures and related records.
- Ascertain that procedures for managing equipment purchased are being instituted.

ADULT EDUCATION PROGRAM

(CFDA 84.002)

I. Program Objective

The program of adult education is provided for adults who want a basic education, to prepare for the Tests of General Educational Development, complete the requirements for a high school diploma, or develop functional literacy skills.

II. Program Procedures

Individuals must be at least 18 years of age or older. The local board may assign students less than 18 years of age, but not less than 16 years of age to be eligible for membership.

III. Compliance Requirements and Suggested Audit Procedures

A. Types of Services Allowed or Unallowed

Compliance Requirement

The Adult Education funds can be expended only for the types of services specified in the approved project proposal including instructional and administrative salaries, operation and maintenance, fringe benefits, travel, and instructional supplies/materials.

Suggested Audit Procedures

- Review grant award and ascertain allowable services.
- Review expenditure and related records.

B. Supplement, Not Supplant

Compliance Requirement

An LEA may use Federal Adult Education funds only to supplement but not supplant, to the extent practical increase the level of funds that would, in the absence of Adult Education funds, be made available from non-federal sources.

Suggested Audit Procedures

- Review the Adult Education program's previous year's budget and actual cost and compare with the audited year's budget and actual cost to determine that the LEA did not spend federal funds in place of state and/or local funds. This determination is to be made in total and by line item as LEA's are permitted to move monies from one category to another.

BILINGUAL EDUCATION PROGRAM

TRANSITION PROGRAM FOR REFUGEE CHILDREN (CFDA 84.003)

I. Program Objectives

The objective of the Bilingual Education Program is to build state and local capacity to conduct programs of Bilingual Education in elementary and secondary schools, including activities at the preschool level, designed to enable children of limited English proficiency (LEP) to achieve competence in the English language and to progress effectively through the school system.

II. Program Procedures

Grants are made to local education agencies (LEA's) and others upon submission to and approval of applications by the Department of Education. The programs, which may be demonstration, basic, desegregation support, or for development of materials, are conducted by the grantees.

III. Compliance Requirements and Suggested Audit Procedures

A. Types of Services Allowed or Unallowed

Compliance Requirement

The funds can be expended only for the types of services specified in the grant award, including: classroom instruction; training of parents and project participants; planning and curriculum development; classroom instruction in English and the child's native, first, or other language, to the extent necessary to improve the English language skills of a child with limited English proficiency, and to allow such child to progress effectively through the school system. (34 CFR 74, 75, and 501)

Suggested Audit Procedures

- Review grant award and ascertain allowable services.
- Review expenditure and related records.

B. Eligibility

Compliance Requirement

Before submitting a grant application, each applicant is required to conduct an assessment of the children in the schools and grades to be served by the project to identify children of limited English proficiency. At least sixty percent of the children participating in the program must be of limited English proficiency, i.e., have sufficient difficulty speaking, understanding, reading, or writing English to deny them the opportunity to learn successfully in classrooms in which the language of instruction is English. (34 CFR 501.24, 500.4, 501.40, and 501.45)

Suggested Audit Procedures

- Ascertain the assessment procedures and criteria established by the LEA for determining LEP and evaluate for adequacy.
- Review actual procedures and compare to established procedures.
- Ascertain total number of children participating in program.
- Calculate portion of participating children that have been identified as LEP.

C. Matching Level of Effort, and/or Earmarking Requirements

Compliance Requirement

Federal funds cannot be used to supplant state or local funds that would have been expended for special programs for children of limited English proficiency, unless the LEA is under court order to carry out an approved plan of services for LEP children. (20 USC 3231, Sec. 721(b)(3G)) (34 CFR 501.46)

Suggested Audit Procedures

- Review and evaluate the adequacy of the LEA's system to determine that Bilingual Education Program (BEP) funds supplement and do not supplant state and local funds.

- Determine the average per pupil expenditure of state and local funds for special programs for LEP children at each grade level in which a BEP project is being conducted.
- Determine the total per-pupil expenditure for children participating in BEP projects and ascertain whether it is greater than the average per-pupil expenditure of state and local funds for LEP children in special programs by an amount that is no less than the Federal share of per-pupil cost of the BEP projects.

237

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

Chapter 1 Program in Local Educational Agencies

(CFDA 84.010[1])

I. Program Objectives

The objective of Part A of Chapter 1 of Title I of the Elementary and Secondary Education Act of 1965, as amended, is to provide funds through State educational agencies (SEAs) to local educational agencies (LEAs) to meet the special educational needs of educationally deprived children in school attendance areas with high concentrations of children from low-income families in order to help those children succeed in the regular program of the LEA, attain grade level proficiency, and improve achievement in basic and more advanced skills.

II. Program Procedures

Funds are provided to each SEA for allocation to LEAs based on statutory formula. Funds are then granted to LEAs that have currently approved project applications on file with the SEA describing the projects to be undertaken with the Chapter 1 funds.

III. Compliance Requirements and Suggested Audit Procedures

In addition to the Federal requirements, each SEA has the authority, in accordance with State law, to issue rules consistent with Federal statutes and regulations. These rules should be reviewed prior to beginning the audit.

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[1] The provisions in this section are contained in Chapter 1 of Title I of the Elementary and Secondary Education Act of 1965 (ESEA), enacted as part of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988. Effective July 1, 1988, these provisions superseded those in Chapter 1 of the Education Consolidation and Improvement Act of 1981 (EICA). During the transition year (1988-89), however, SEAs and LEAs may comply with either the provisions in Chapter 1 of the ESEA or Chapter 1 of the ECIA. final regulations have not yet been published to implement Chapter 1 of the ESEA. After those regulations are published, auditors should include the relevant regulatory requirements in examining the provisions in this section.

A. Types of Services Allowed or Unallowed

Compliance Requirement

An SEA may grant Chapter 1 funds only to an LEA that submits an application for a project to be conducted during a period of not more than three fiscal years. The SEA shall approve an LEA's application for Chapter 1 funds if it meets the requirements in section 1012(b)-(c) of Chapter 1 and the implementing regulations, and contains the assurances required by section 436(b)(2) and (b)(3) of the General Education Provisions Act (GEPA). (Secs. 1012(b)-(c), 1438(c))

Suggested Audit Procedures (For Audit of SEA)

- Review the policies and procedures used by the SEA for the review of LEA Chapter 1 applications to evaluate the adequacy of these procedures to ensure that all applications are properly reviewed for compliance with the statutory and regulatory requirements.
- Test a sufficient sample of LEA applications to determine if LEA chapter 1 applications include the information and assurances contained in the statute and regulations were reveiwed by the SEA.

Compliance Requirement

An LEA may use Chapter 1 funds only for programs and projects that are designed and implemented to meet the special educational needs of educationally deprived children identified under section 1014 of Chapter 1, are included in an application approved by the SEA and comply with all applicable Chapter 1 requirements. (See 1011(a))

Suggested Audit Procedures (For Audit of LEA)

- Review the LEA's approved project application.
- Review expenditure records and supporting documentation to determine whether Chapter 1 funds were used only for programs and projects designed and implemented to meet the special educational needs of educationally deprived children and included in the LEA's approved project application (e.g., determine

whether staff members paid with Chapter 1 funds provided services only to Chapter 1 students.)

B. Eligibility

Compliance Requirement

An LEA's Chapter 1 project must be based on an annual assessment of educational needs that (1) identifies educationally deprived children in all eligible areas; (2) identifies the general instructional areas on which the program will focus; (3) selects those educationally deprived children who have the greatest need for special assistance, as identified on the basis of educationally related objective criteria established by the LEA that are uniformly applied to particular grade levels throughout the LEA; and (4) determines the special educational needs (and library resource needs) of participating children with specificity to ensure concentration on such needs. (Sec. 1014(b))

Suggested Audit Procedures (For Audit of LEA)

- Determine whether methods used by the LEA to assess needs are suitable and whether the LEA performs assessments with the required frequency.
- Review the manner in which the LEA applies the results of the assessment to make sure that only educationally deprived children are served and that children who have the greatest need for special assistance are served.

Compliance Requirement

An LEA must conduct Chapter 1 projects in school attendance areas having high concentrations of children from low-income families. If funds are insufficient to provide programs in all eligible areas, the LEA must annually rank its areas from highest to lowest within each grade span grouping or for the entire LEA according to the degree of concentration of children from low-income families. An LEA may carry out a project in an eligible school attendance area only if it also carries out projects in all eligible areas that are ranked higher. An LEA has the discretion to apply the special rules for the selection of school attendance areas included in section 1013(b) of Chapter 1. These requirements do not apply to an LEA with a total enrollment of less than 1,000 children. (Sec. 1013(a),(b))

Suggested Audit Procedures (For Audit of LEA)

- Review the LEA's procedures used for determining school attendance areas having high concentrations of children from low-income families and evaluate for adequacy.
- Identify the source of the demographic information and consider its reliability.
- Identify the schools in which Chapter 1 projects are being conducted, and determine whether those schools serve attendance areas having high concentrations of low-income families selected in accordance with the requirements in section 1013(a)-(b).

C. Matching, Level of Effort, and/or Earmarking Requirements

Compliance Requirement

The combined fiscal effort per student or the aggregate expenditures of an LEA from State and local funds for free public education for the preceding year must be at least 90 percent of the combined fiscal effort per student or aggregate expenditures for the second preceding year, unless specifically waived by the SEA. In determining an LEA's compliance with this requirement, the SEA shall consider the LEA's expenditures from State and local funds for free public education, which include expenditures for administration, instruction, attendance, health services, pupil transportation, plant operation and maintenance, fixed charges, and net expenditures to cover deficits for food services and student body activities. The SEA shall not consider any expenditures for community services, capital outlay, or debt service, or any expenditures made from funds provided under Chapter 1 and Chapter 2 of Title I of ESEA or Chapter 1 and Chapter 2 of the ECIA.

The SEA may waive this requirement, for one fiscal year only, if the SEA determines that a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the LEA. The SEA may not consider tax initiatives or referenda to be exceptional or uncontrollable circumstances. (Secs. 1018(a), 1471(a)(6))

Suggested Audit Procedures (For Audit of SEA)

- Review SEEA's procedures for determining LEAs' compliance with maintenence of effort requirement.
- Ascertain whether the types of expenditures included in the calculations are appropriate and consistent from year to year.
- Review waivers granted by the SEA and determine whether the basis of waiving was appropriate.

Suggested Audit Procedures (For Audit of LEA)

- Review the second and first preceding years' financial and related records of the LEA and determine the total expenditures and, if appropriate, review the second and first preceding years' pupil records of the LEA and determine per pupil expenditures.
- Determine if effort was maintained.

Compliance Requirement

An LEA may receive Chapter 1 funds only if State and local funds will be used in project areas to provide services that, taken as a whole, are at least comparable to services that the LEA is providing in areas not receiving Chapter 1 funds. Determinations may be made on a districtwide or grade span basis. If all school attendance areas are designated as Chapter 1 project areas, an LEA may receive Chapter 1 funds only if the LEA uses State and local funds to provide services that, taken as a whole, are substantially comparable in each project area. An LEA with not more that one building for each grade span is not required to meet the comparability requirements.

The LEA may exclude from determinations of compliance with this requirement State and local funds expended for carrying out special programs to meet the educational needs of educationally deprived children, including compensatory education, if the Secretary or the SEA (as appropriate) determines in advance that the program meets the requirements in section 1018(d)(1)(B) or State and local funds expended for State phase-in programs if the Secretary determines in advance that the program meets the requirements in Section 1018(d)(2)(B). In addition, the LEA may exclude State and local funds expended for bilingual education for children of limited English proficiency or for special education for handicapped children.

Each LEA must develop procedures for complying with the comparability requirements and must maintain records documenting compliance.

Each LEA that is found to be out of compliance with the comparability requirements shall be subject to withholding or repayment of funds only to the amount or percentage by which the LEA has failed to comply. (Sec. 1018(c), (d))

Suggested Audit Procedures (For Audit of LEA)

- Review the procedures by which the LEA determines the levels of service among the different schools and evaluate for adequacy.
- Examine information used by the LEA to determine comparability; e.g., districtwide salary schedule; policies to ensure equivalence among school in the assignment of teachers, administrators, and auxiliary personnel; policies to ensure equivalence among schools in curriculum materials and instructional supplies.
- Review the records the LEA maintains to demonstrate compliance with the comparability requirement.
- If necessary, compute the amount or percentage by which the LEA has failed to comply.

Compliance Requirement

An LEA may use Chapter 1 funds only to supplement and, to the extent practical, increase the level of funds that would, in the absence of Chapter 1 funds, be made available from non-Federal sources for the education of pupils participating in Chapter 1 projects. The LEA may not use Chapter 1 funds to supplant funds from non-Federal sources.
The LEA may exclude from determinations of compliance with this requirement State and local funds expended for carrying out special programs to meet the educational needs of educationally deprived children, including compensatory education, if the Secretary or the SEA (as appropriate) determines in advance that the program meets the requirements in section 1018(d)(1)(B). (Sec. 1018(b), (d))

Suggested Audit Procedures (For Audit of LEA)

- Evaluate the adequacy of the policies and procedures established by the SEA and LEA to ensure that Chapter 1 funds are used to supplement, and not supplant non-Federal funds.
- Test to determine if the SEA follows prescribed policies and procedures to ensure that Chapter 1 services provided and funds expended by the LEA supplement non-Federal funding. (Check whether services paid with Chapter 1 funds for Chapter 1 children are paid with non-Federal funds for non-Chapter 1 children or whether services paid with Chapter 1 funds are required by State or Federal law. If either is found, it is a violation.)

D. Reporting Requirements

Compliance Requirement

An SEA shall annually collect date on the race, age, gender, and number of children with handicapping conditions served by Chapter 1 and on the number of children served by grade level under Chapter 1, and any other data specified by the Secretary in the SEA's annual performance report. The SEA shall submit those data to the Secretary. (Sec. 1019(b)(3))

Suggested Audit Procedures (For Audit of SEA)

- Evaluate the adequacy of the policies and procedures used by the SEA to ensure that the SEA complies with the reporting requirements and the reports are accurate, complete, and timely.

Compliance Requirement

An LEA shall provide to the SEA data needed by the SEA to complete its annual performance report. (Sec. 1019(b)(3))

Suggested Audit Procedures (For Audit of LEA)

- Evaluate the adequacy of the policies and procedures used by the LEA to ensure that the LEA complies with the reporting requirements and the reports are accurate, complete, and timely.

E. Special Tests and Provisions

Compliance Requirement

An LEA may not carry over more that (1) 25 percent of basic and concentration grant funds appropriated for fiscal year 1989, and (2) 15 percent of basic and concentration grant funds appropriated for fiscal year 1990 and each subsequent fiscal year. The percentage limitations do not apply to an LEA that receives less than $50,000 for any fiscal year.

The SEA may grant a one-time waiver of the percentage limitation if the SEA determines that the request is reasonable and necessary. The SEA may also grant a waiver in any fiscal year in which supplemental appropriations for Chapter 1 become available for obligation. (Sec. 1432(b))

Suggested Audit Procedures (For Audit of LEA)

- Test to determine whether the LEA has carried over no more that the percentages specified in section 1432(b) of Chapter 1.

Compliance Requirement

The SEA shall reallocate excess funds to other eligible LEAs "with the greatest need, for the purpose of, where appropriate, redressing inequities inherent in, or mitigating hardships caused by application (of the allocation formula in section 105(a) of Chapter 1), as a result of such factors as population shifts and changing economic circumstances." The SEA shall determine an LEA's eligibility to receive additional funds on the basis of data that demonstrate inequities caused by the formula. (Sec. 1403(b)(2))

Suggested Audit Procedures (For Audit of SEA)

Review the SEA's procedures for reallocating excess Chapter 1 funds to determine whether those procedures comply with the compliance requriement for reallocation. The procedures should include the:

- Criteria the SEA applies to determine whether an LEA has excess funds;
- Use of appropriate data to determine which LEAs are eligible to receive reallocated funds to redress inequities in the allocation formula; and
- Criteria the SEA applies to ensure that, of the LEAs eligible to receive reallocated funds, the funds are reallocated to LEAs with the greatest need for additional funds to meet the needs of eligible children.

Compliance Requirement

An LEA shall develop and implement programs, activities, and procedures for the involvement of parents in the Chapter 1 program that meet the goals and requirements specified in section 1016 of Chapter 1. (Sec. 1016)

Suggested Audit Procedures (For Audit of LEA)

- Determine whether the LEA has, in consultation with parents of participating children, developed programs, activities, and procedures to involve parents, including whether the LEA has written policies concerning parent involvement.

- Determine whether the LEA is implementing its policies and procedures so that parents, in fact, have an adequate opportunity to participate in the planning, design and implementation of the LEA's Chapter 1 project.

Compliance Requirement

An LEA must evaluate the effectiveness of its Chapter 1 program, in accordance with national evaluation standards required by section 1435 of Chapter 1, at least once every three years (using objective measurement of individual achievement in basic and more advanced skills, aggregated for the LEA as a whole). The results of such evaluations must be submitted to the SEA at least once every three-year application cycle. The LEA must also determine whether improved performance is sustained over a period of more than one year. (Sec. 1019(a))

Suggested Audit Procedures (For Audit of LEA)

- Determine whether the LEA has conducted the required Chapter 1 evaluations.

Compliance Requirement

An SEA must conduct an evaluation of Chapter 1 programs in the State at least once every two years. (Sec. 1019(b))

Suggested Audit Procedures (For Audit of SEA)

- Determine whether the SEA has conducted the required evaluations of Chapter 1 programs in the State.

Compliance Requirement

For children enrolled in private elementary and secondary schools who are educationally deprived and who reside in Chapter 1 project areas, an LEA must provide Chapter 1 services and arrangements that are equitable to the services and arrangements provided for children enrolled in public schools. Services are equitable if the LEA:

- Assesses, addresses, and evaluates the specific needs and educational progress of eligible private school children on the same basis as public school children.

- Provides, in the aggregate, approximately the same amount of instructional time and materials for each private school child as it provides for each public school child.
- Expends equal amounts on services for public and private school children in accordance with section 1017(a).
- Provides private school children with an opportunity to participate that is equitable to the opportunity provided to public school children.

If the LEA's provision of services and arrangements for private school children are prohibited by State law or if the Secretary determines that the LEA substantially failed to provide for the participation on an equitable basis of eligible private school children, the Secretary invokes a bypass to have the services provided directly. (Sec. 1017(a)-(d))

Suggested Audit Procedures (For Audit of LEA)

- Review procedures for determining numbers and needs of educationally deprived children in private schools and evaluate for adequacy.
- Ascertain the Chapter 1 services the LEA provided to private school children and determine whether the LEA has provided the services on an equitable basis when compared to the services provided to public school children.

Compliance Requirement

An SEA and LEA must retain records, for audit and evaluation, for five years after a project or until audit resolution is complete. (Sec. 437(a) of GEPA)

Suggested Audit Procedures (For Audit of SEA and LEA)

- Review the SEA's and LEA's procedures for retention of records.
- Review the SEA's and LEA's correspondence and determine whether there were any instances of required records not being available.

Compliance Requirement

An LEA may use Chapter 1 funds for a schoolwide project if in the first year of a three-year period not less than 75 percent of the children in the attendance area of the school or 75 percent of the children enrolled in the school are from low-income families. The LEA may carry out a schoolwide project to upgrade the entire educational program in that school if the requirements in section 1015(b)-(e) are met. (Sec. 1015)

Suggested Audit Procedures (For Audit of LEA)

- Determine that the school met the eligibility requirements in the first year of the three-year period.
- Determine that the amount of Chapter 1 funds made available for a schoolwide project meets the requirements of section 1015(b)(6)(A)--namely, that the LEA provides for each schoolwide project an amount of Chapter 1 funds that, for each educationally deprived child, equals or exceeds the amount of funds the LEA provides for each educationally deprived child Chapter 1 served in other project schools.
- Determine that the average per pupil expenditure of State and local funds in a schoolwide project meets the requirements of section 1015(b)(6)(B)--namely, that such expenditures (excluding amounts expended under a State compensatory education program) for the fiscal year in which the plan is to be carried out are not less than such expenditures in those schools in the previous fiscal year, except that the cost of services for special programs under section 1018(d)(2)(A) must be included for each fiscal year as appropriate only in proportion to the number of children in the school served in those programs in the year for which this determination is made.
- Determine that the LEA is following the plan required by section 1015(b).
- Determine that the schoolwide project meets the accountability requirements in sections 1015(3) and 1021.

Compliance Requirement

An SEA must develop, in consultation with a committee of practitioners, a plan that contains, but is not limited to, the following: (1) the objective measures and standards the

SEA and LEAs will use to assess aggregate performance; (2) the means the SEA will use to develop joint plans with LEAs that have identified schools in need of program improvement to attain satisfactory student progreaa; (3) the timetable for developing and implementing such plans; and (4) the program improvement assistance that will be provided to such schools. (Secs. 1020, 1021(d), (h))

Suggested Audit Procedures (For Audit of SEA)

- Document that the SEA has developed the required plan and the SEA has developed joint plans with LEAs, if necessary, that comply with the requirement.
- Test to determine if the SEA is implementing the respective plans.

Compliance Requirement

An LEA must, for each project school, (1) conduct an annual review of the effectiveness of its Chapter 1 project in improving student performance as measured by aggregate performance and the desired outcomes described in the LEA's application; (2) determine whether improved performance is sustained over a period of more than 12 months; and (3) use the results of the review and the LEA's evaluation to implement school improvement efforts. (Sec. 1021(a))

For each school that does not show substantial progress toward meeting the desired outcomes described in the LEA's application or shows no improvement or a decline in aggregate performance, the LEA must develop and implement, in accordance with section 1021(b), a plan for program improvement that describes how the LEA will identify and modify programs needing assistance and incorporate those changes that have the greatest likelihood of improving the performance of educationally deprived children. The LEA does not need to develop a school improvement plan for a school that served 10 or fewer children for the entire school year. (Sec. 1021(b)-(e), (g)-(i))

On the basis of the LEA's evaluation and annual reviews, the LEA must identify all students who have been served for a school year and have not shown substantial progress toward meeting the desired outcomes in the LEA's application or whose achievement shows no improvement or a decline, and must consider program modifications. The LEA must conduct a thorough needs assessment of children who remain in the Chapter 1 project after two consecutive years of participation and have not met the requisite standards. (Sec. 1021(f))

Suggested Audit Procedures (For Audit of LEA)

- Determine whether the LEA has developed procedures for conducting the annual reviews required by section 1021(a) and for developing and implementing program improvement plans. Also, document that the LEA is assessing students who need improvement under section 1021(f).
- Evaluate the adequacy of the LEA's plan to ensure compliance with this provision.
- Test to determine if the LEA is actually implementing the requirements for improving school and student performance under section 1021.

Compliance Requirement and Suggested Audit Procedures

The last two compliance requirements and suggested audit procedures in the section on Chapter 1 of the ECIA are incorporated by reference.

CHAPTER 1: MIGRANT EDUCATION

Basic State Formula Grant Program

(CFDA 84.011)

I. Program Objectives

The objectives of the Migrant Education Basic State Formula Grant Program are to: (1) establish or improve programs designed to meet the special educational needs of migratory children of migratory agricultural workers or migratory fishers, and (2) enable State Educational Agencies (SEAs) to coordinate their State migrant programs and local projects with similar programs and projects in other States, including the transfer of school records and other information about migratory children.

II. Program Procedures

Funds are allocated to an SEA to carry out its approved State plan for providing migrant education program services and activities (a) directly, (b) through subgrants to local educational agencies (LEAs), or (c) by special arrangements and contracts with other public or private non-profit private agencies.

III. Compliance Requirements and Suggested Audit Procedures

A. Types of Services Allowed or Unallowed

Compliance Requirement

An SEA may use or distribute funds only to meet the special educational needs of migratory children in projects administered in accordance with the approved State plan. Funds may be used by an LEA or other operating agency only in accordance with the approved State plan and only for those services or activities in its project application. (34 CFR 201.10-201.13)

Suggested Audit Procedures (For Audit of SEA)

- Review the approved State plan, including annual updates as appropriate.
- Review the State's process for approving subgrants to an LEA or other operating agency.
- review records that indicate how the SEA expended or distributed program funds, and compare those expenditures to the State plan and approved subgrant applications and determine if the compliance requirements are met.

Suggested Audit Procedures (For Audit of LEA)

- Review the approved project application including annual updates as appropriate, for conformance with the approved State plan.
- Review records that detail how the LEA expended its program funds, and compare those expenditures to the approved subgrant application and updates to determine if compliance requirements were met.

Compliance Requirement

In addition to the supplemental one percent of a State's total Chapter 1 allocation that an SEA received to defray the allowable administrative costs for all Chapter 1 programs, described in Section 1404 of Chapter 1, and SEA may use funds available under Section 201.20 (amount available for and SEA grant) to pay the costs of necessary administrative functions that are unique to the State's Chapter 1 migrant education program as long as those functions resulted from the SEA's dual role of administering the program and providing program services. (Section 1404 of Chapter 1; 34 CFR 201.33)

Suggested Audit Procedures

- Ascertain the amount allocated to the SEA for the administration of all Chapter 1 programs and, separately, the amounts of migrant education program funds budgeted and spent at the SEA level for administrative functions unique to the State's migrant education program to determine if the compliance requirements were met.

- Review SEA expenditure records and supporting documentation for program/project administration to determine whether the SEA has properly charged appropriate costs to Chapter 1 administrative funds or to migrant education program funds, or to other accounts.

B. Eligibility

Compliance Requirement

Services are limited to concentrations of currently or formerly migratory children (aged three through twenty-one) with special educational needs who have not graduated from high school and for whom the SEA has documented the basis of eligibility. A currently MEP migratory child is one whose parent or guardian is a migratory agricultural worker or migratory fisher, and who have moved within the past 12 months from one school district to another to enable the child, the child's guardian, or a member of the child's immediate family to obtain temporary or seasonal employment in an agricultural or fishing activity. A formerly migratory child is one who was eligible to be counted and served as a currently migratory child, and whose parent or guardian consents to having the child considered as migratory. The SEA is responsible for a procedure that assures, within a maximum five percent error rate, accurate determinations of eligibility. (Section 1201(b) of Chapter 1; 34 CFR 201.3, 201.30)

Suggested Audit Procedures

- Review the adequacy and consistency with the compliance requirements, the definitions, policies , and procedures used by the LEA to determine that a child is currently or formerly migratory child.
- Review the quality control procedures used by the LEA to ensure the correctness of the eligibility information on which the SEA relies and, if initially performed by an operating agency, on which the operating agency relies.

- Review an appropriate sample of identification and recruitment records and determine whether, within a five percent error rate permitted by Section 1202(a)(3) of Chapter 1, they provide the information required to justify the determinations that the children are eligible.

C. Matching, Level of Effort, and/or Earmarking Requirement

Compliance Requirement

The combined fiscal effort per student or the aggregate expenditures of LEA from State and local funds for free public education for the preceding year must be at least 90 percent of the combined fiscal effort per student or aggregate expenditures for the second preceding year, unless specifically waived by the SEA. In determining compliance, the expenditures to be included are detailed in the first compliance requirements in Section III-C of the supplement for Chapter 1 of the Elementary and Secondary Education Act of 1965. The waiver may be for one fiscal year only, based on a determination that the waiver would be equitable due to exceptional or unforeseen circumstances such as a natural disaster or a precipitous decline in the financial resources of the LEA. (Sections 1018(a) and 1202(a)(3) of Chapter 1)

Suggested Audit Procedures (For Audit of SEA)

- Review the adequacy of the SEA's procedures for determining the LEAs' compliance with the maintenance of effort requirement.
- Ascertain whether the types of State and/or local expenditures included in the calculations are consistent from year to year, and are consistence with the compliance requirements.
- Review the waivers granted by the SEA and determine whether the waivers were granted for exceptional and unforeseen circumstances as noted in the requirement.

Suggested Audit Procedures (For Audit of LEA)

- Review the second and first preceding years' financial and related records of LEA and determine whether compliance has been achieved.
- If necessary, review first and second preceding years' pupil records of LEA and determine per pupil expenditures to determine compliance.
- If the LEA received a waiver for the maintenance of effort requirement, determine whether the LEA had and could document exceptional and unforeseen circumstances consistent with the requirement.

Compliance Requirement

An LEA may use Chapter 1 funds only to supplement and, to the extent practical, increase the level of funds that would, in the absence of Chapter 1 funds, be made available from non-Federal sources for the education of pupils participating in Chapter 1 projects.

The LEA may not use Chapter 1 funds to supplant funds from non-Federal sources.

For purposes of determining compliance with the requirement of Section 1018 of Chapter I, the LEA may exclude State and local funds expended for carrying out special programs to meet the educational needs of educationally deprived children. (Section 1018(b) and 1202(a)(3) of Chapter 1)

Suggested Audit Procedures

- Identify services provided with State and local funds by the operating agency to all children, and identify services the agency is required to provide by State or Federal law.
- Determine whether the LEA used Chapter 1 migrant education funds to provide services that either were provided with State or local funds to children who are not migratory, or for services the operating agency was required to provide all children. Either would violate the requirements.

D. Reporting Requirements

There are no Federal financial reporting requirements.

E. Special Tests and Provisions

Compliance Requirement

An SEA and its operating agencies receiving Chapter 1 migrant education program funds shall base their Chapter 1 migrant education program and projects on an annual assessment of educational needs that (1) identifies needs of all significant concentrations of migratory children eligible to be served, (2) requires selection of those currently migratory children (pre-school and school aged) in greatest need before selection of formerly migratory children, and (3) determines the educational needs of participating children with sufficient specificity to ensure concentration on these needs. (34 CFR 201.12, 201.31, 201.32)

Suggested Audit Procedures (For Audit of SEA)

- Review SEA's identification and recruitment process to determine whether it ensures that all significant concentrations of currently migratory children will be identified.
- Review the SEA's prescribed process for selecting children to be served to determine whether currently migratory children (both pre-school and school aged) are selected for services before formerly migratory children are selected.
- Review the manner by which the SEA and LEA apply the results of the needs assessment to ensure that the State plan and local projects respond to the assessment.

Suggested Audit Procedures (For Audit of LEA)

- Review the approved State plan and LEA project application.
- Review the LEA project to ascertain whether the process by which currently migratory children with special educational needs (pre-school and school aged) are

selected and served given the priority for services over formerly migratory children.

Compliance Requirement and Suggested Audit Procedures

The lase two compliance requirements and suggested audit procedures in the section on Chapter 1 of the Education Consolidation and Improvement Act of 1981 are incorporated by reference.

ASSISTANCE TO STATES FOR EDUCATION OF HANDICAPPED CHILDREN

(CFDA 84.027)

I. Program Objective

The objective of the assistance to states for Education of Handicapped Children Program is to assist states in providing a free, appropriate public education to all handicapped children.

II. Program Procedures

Grants are made to states, following submission of an acceptable three year plan, based on a certified count of handicapped children receiving special education and related services. The SEA, in turn, funds local educational agencies that submit applications to the SEA for approval.

III. Compliance Requirements and Suggested Audit Procedures

A. Eligibility

Compliance Requirement

Only children determined to be mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, other health impaired, specific learning disabled, deaf-blind, or multihandicapped and who, because of these impairments, need special education and related services, are eligible for participation in this program and may be counted. (34 CFR 300.5(a), 300.530-543, 750-754)

Suggested Audit Procedures

- Determine the above eligibility by using placement forms for all handicapping conditions, as required by State Board of Education approved regulations established in the *Procedures for Survey, Screening, Evaluation, Placement, and Dismissal of Children Into/Out of Programs for the Handicapped*. A selected representative number of participating students in the LEA will be determined by the number of handicapped children served by the LEA utilizing the following method:

Number of Handicapped Pupils Served by LEA in Current Fiscal Year	**Total Amount to be Reviewed**	**Sample of Review**
0 - 1500	25	5 - EMH 2 - TMH 1 - PMH 3 - EH 5 - LD 1 - VH 1 - HH 1 - OH 5 - Speech 1 - Homebound
1501 - 3000	35	8 - EMH 2 - TMH 1 - PMH 4 - EH 8 - LD 1 - VH 1 - HH 1 - OH 8 - Speech 1 - Homebound
3001 - 4500	45	10 - EMH 3 - TMH 1 - PMH 4 - EH 10 - LD 2 - VH 2 - HH 2 - OH 10 - Speech 1 - Homebound
4501 - Above	55	12 - EMH 5 - TMH 1 - PMH 6 - EH 12 - LD 2 - VH 2 - HH 2 - OH 12 - Speech 1 - Homebound

Select the required number of folders.

- Review the placement forms for accuracy in completion and appropriate signature as determined by the criteria established in *Procedures for Survey, Screening, Evaluation,* *Placement, and Dismissal of Children Into/Out of Programs for the Handicapped*. Refer to the following pages:

Educable Mentally Handicapped	Page 22
Trainable Mentally Handicapped	Page 26
Profoundly Mentally Handicapped	See Addendum
Emotionally Handicapped	Page 60
Learning Disabilities	Page 55
Visually Handicapped	Page 45
Hearing Handicapped	Page 34
Orthopedically Handicapped	Page 39
Speech Handicapped	Page 30
Homebound	Page 62

- In the event that the LEA does not have pupils served in any of the above handicapping areas, the area and number of folders to be reviewed should be deleted from the sample.

B. Matching, Level of Effort, and/or Earmarking Requirements

Compliance Requirement

The total amount or average per capita amount of State and local school funds budgeted by the local educational agency for expenditures in the current fiscal year for the education of handicapped children must be at least equal to the total amount or average per capita amount of State and local school funds actually expended for the education of handicapped children in the most recent preceding fiscal year for which the information is available. Allowance may be made for:

- Decreases in enrollment of handicapped children; and
- Unusually large amounts of funds expended for such long-term purposes as the acquisition of equipment and construction of school facilities. (34 CFR 300.230)

Suggested Audit Procedures

- Compare the total expenditure for handicapped children in the General Fund for the audit period with the total expenditure for handicapped children in the General Fund for the prior period. The total expenditure for the audit period must at least be equal to or greater than the total expenditure in the prior period. Allowance may be made for:

(1) Decrease in enrollment of handicapped children; and

(2) Unusually large amounts of funds expended for such long-term purposes as the acquisition of equipment and the construction of school facilities.

CARL D. PERKINS VOCATIONAL EDUCATION ACT OF 1984

(CFDA 84.048, 84.049, 84.050)

I. Program Objectives

The purpose of the Act is to provide funding to local educational agencies (LEA's) to:

- assist LEA's in expanding, improving, modernizing, and developing quality vocational education programs.
- assure that individuals who are inadequately served under vocational education programs are assured access to quality vocational education programs.
- promote greater cooperation between public agencies and the private sector.
- improve the academic foundations of vocational students and to aid in the application of newer technologies.
- provide vocational education services to train, retrain, and upgrade employed and unemployed workers in new skills.
- assist the most economically depressed areas of a state to raise employment and occupational competencies.
- assist the LEA to utilize a full range of supportive services, special programs, and guidance counseling and placement.
- improve the effectiveness of consumer and homemaking education and reduce the limiting effects of sex-role stereotyping.

II. Program Procedures

Funds are forwarded to each state education agency (SEA) for allocation to LEA's based on statutory formula. Funds are then granted to LEA's that have currently approved project applications on file with the SEA describing the activities to be undertaken with the vocational funds.

III. Compliance Requirements and Suggested Audit Procedures

A. Types of Services Allowed or Unallowed

Compliance Requirement

An LEA may use Perkins Vocational Education Act funds only for services and activities outlined in the South Carolina FY 90 Administrative Provisions for Vocational Education that comply with all applicable Perkins Vocational Education Act requirements (P.L. 98-542) (34 CFR 401.52 through 401.60, 401.71 and 401.73) and included in an application approved by the SEA.

Suggested Audit Procedures

- Review the approved project application.
- Review expenditure and supporting documentation.

B. Maintenance of Effort; Supplement, Not Supplant; Matching; and Noncommingling of Funds Requirements

Compliance Requirement-Maintenance of Effort

The fiscal effort per student or aggregate expenditures from State and local sources for vocational education for the fiscal year preceding the fiscal year for which the determination is made, must at least equal the effort or expenditures for vocational education for the second preceding fiscal year (P.L. 98-524, Sec.503(a))(34 CFR 401.22).

Suggested Audit Procedures

- Review the second and first preceding years' financial and related records and determine State and local vocational expenditures.
- Review, if necessary, the second preceding and first preceding years' pupil records and determine the per pupil expenditure.

Compliance Requirement-Supplement, Not Supplant

An LEA may use Perkins Act funds only to supplement, and to the extent practicable, increase the amount of State and local funds that would, in the absence of such Federal funds be made available for the uses specified in the Act and in no case supplant such State and local funds (P.L. 98-524, Sec. 113(b)(16)) (34 CFR 401.19(a)(16)).

Suggested Audit Procedures

- Review financial and pupil records and determine the expenditures for children participating in programs financed by the Carl D. Perkins Vocational Education Act funds.
- Ascertain the amount financed with Federal funds.
- Ascertain whether the expenditures for children participating in the programs financed with Carl D. Perkins Vocational Education Act funds are greater than the expenditures of State and local funds by an amount that is no less than the costs of the projects funded through the Carl D. Perkins Vocational Education Act program.
- Identify vocational education services provided to all children with State and local funds.
- Determine whether Carl D. Perkins Act funds were used to provide services that supplement or were in addition to services that would be provided with State and local funds.

Compliance Requirement-Matching

Federal funds received by an LEA under the Perkins Act and used for local administration of projects, services or activities must be matched overall (dollar for dollar) with State/local funds (P.L. 98-524, Sec. 502(a)(2)) (34 CFR 401.94(b)(2)(ii)).

Suggested Audit Procedures

- Ascertain the total project allocation for funds received by the LEA under the Carl D. Perkins Act.
- Review the financial records and ascertain the amount and source of the matching contribution.

Compliance Requirement-Noncommingling of Funds

Federal funds allotted to an LEA shall not be commingled with State or local funds so as to lose their identity as Federal funds. A separate ledger account shall be maintained in the Special Revenue Fund by Project number to assure that each expenditure of Federal funds can be identified as such (P.L. 98-524, Sec. 113(b)(17)) (34 CFR 401.19(17)).

Suggested Audit Procedures

- Review the financial records to insure that funds received by the LEA under the Carl D. Perkins Act are recorded by project number in the Special Revenue Fund and not commingled with State and local funds.

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965
Chapter 2 of Title 1--Federal, State, and Local Partnership for Educational Improvement
(CFDA 84.151[1])

I. Program Objectives

The objectives of Chapter 2 of Title I of the Elementary and Secondary Education Act of 1965, as amended are: (1) to provide the initial funding to enable State education agencies (SEAs) and local educational agencies (LEAs) to implement promising educational programs that can be supported by State and local sources after such programs are demonstrated to be effective; (2) to provide a continuing source of innovation, educational improvement, and support for library and instructional materials; (3) to meet the special educational needs of at risk and high cost students; (4) to enhance the quality of teaching and learning through initiating and expanding effective schools programs; and (5) to allow SEAs and LEAs to meet their educational needs and priorities for targeted assistance. SEAs have the basic responsibility for the administration of Chapter 2 funds. Responsibility for the design and implementation of Chapter 2 programs, however, rests mainly with LEAs, school superintendents and principals, and classroom teachers and supporting personnel.

II. Program Procedures

Funds are obtained by a State following submission of an application to the Secretary of Education. The SEA distributes at least 80 percent of the funds to LEAs that have filed applications that meet certain requirements. These funds are distributed to the LEAs in accordance with the relative enrollments in public and private, nonprofit schools that desire that their children participate in Chapter 2 within the school districts of the LEAs. The amounts are adjusted by criteria approved by the Secretary to provide higher per-child allocations to those LEAs having the greatest numbers of percentages of children whose education imposes a higher than average cost per child. The LEAs have complete discretion, subject only to legal requirements, in determining how they will expend the funds.

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[1] The provisions in this section are contained in Chapter 2 of Title I of the Elementary and Secondary Education Act of 1965 (ESEA), enacted as a part of the Augustus F. Hawkins--Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988. Effective July 1, 1988, these provisions superseded those in Chapter 2 of the education consolidation and Improvement Act of 1981 (ECIA). During the transition year (1988-89), however, SEAs and LEAs may comply with either the provisions in Chapter 2 of the ESEA or Chapter 2 of the ECIA.

Final regulations have not yet been published to implement Chapter 2 of the ESEA. After those regulations are published, auditors should include the relevant regulatory requirements in examining the provisions in this section.

III. Compliance Requirements and Suggested Audit Procedures

In addition to the Federal requirements, each SEA has the authority, in accordance with State law, to issue rules consistent with Federal statutes and regulations. The auditor is encouraged to review these rules prior to beginning the audit.

A. Types of Services Allowed or Unallowed

Compliance Requirement

An LEA may use Chapter 2 funds to support one or more of the targeted assistance programs in section 1531--namely, programs for at risk children; programs to acquire and use instructional materials to improve the quality of instruction; innovative programs for schoolwide improvements, including effective schools programs; programs of training and professional development; programs to enhance personal excellence of students and student achievement; and other innovative projects to enhance the educational program and climate of the schools.

267

Suggested Audit Procedures

- Evaluate the adequacy of the policies and procedures developed by the LEA for the use of Chapter 2 funds to ensure that the LEA uses funds for targeted assistance programs.
- Determine if actual expenditures of funds are for targeted assistance programs and are in accordance with the LEA's application.

B. Eligibility

The auditor is not expected to make tests for eligibility.

C. Reporting Requirements

Compliance Requirement

An LEA must report annually to the SEA on the LEA's use of Chapter 2 funds and provide any other information as may reasonably be required for program evaluation consistent with the SEA's responsibilities. (Sec. 1533(a)(4), 1573(a))

Suggested Audit Procedures

- Evaluate the adequacy of the policies and procedures used by the LEA to ensure accurate, complete, and timely reporting to the SEA to ensure that the LEA complies with the reporting requirements.
- Test to determine if the LEA complied with the reporting requirements.

D. Special Tests and Provisions

Compliance Requirement

An LEA may use Chapter 2 funds only to supplement, and in no case supplant, non-Federal funds that would, in the absence of Chapter 2 funds, be made available. (Sec. 1571(b))

268

Suggested Audit Procedures

- Evaluate the adequacy of the policies and procedures used by the LEA to ensure that Chapter 2 funds expended by the LEA are used to supplement and not supplant non-Federal funds to ensure compliance with this provision.
- Determine if the LEA follows prescribed policies and procedures to ensure that Chapter 2 services provided and funds expended by the LEA supplement non-Federal funding. Check to see if services currently paid with Chapter 2 funds were previously paid form non-Federal sources, or Chapter 2 funds are used for services required by State or Federal law; either is a violation.

Compliance Requirement

An LEA shall provide children enrolled in private nonprofit elementary and secondary schools in the school district of the LEA with secular, neutral, and nonideological services, materials, and equipment or other benefits that will ensure equitable (as compared to children enrolled in public schools) participation of private school children in the purposes and benefits of Chapter 2.

If the LEA's provision of services and benefits to these children is prohibited by State law or if the Secretary determines that the LEA has substantially failed or is unwilling to provide for the participation on an equitable basis of children enrolled in private schools, the Secretary waives the requirement and arranges for services to be provided through other means. (Sec. 1572)

Suggested Audit Procedures

- Evaluate the adequacy of the policies and procedures used by the LEA for determining the numbers and needs of children in private schools to ensure that the services provided to children enrolled in private nonprofit elementary and secondary schools are equitable to services provided to children enrolled in public schools.

- Ascertain amount of Chapter 2 expenditures for services to private school children and determine whether those expenditures are equal (consistent with the number of children to be served) to expenditures for Chapter 2 services for public school children, taking into account the needs of the individual children and other factors that relate to such expenditures in accordance with Section 1574(b).
- Determine if the LEA followed policies and procedures and provided equitable services.

Compliance Requirement

An LEA may only obligate Chapter 2 funds during the Federal fiscal year for which the funds were appropriated and during the succeeding Federal fiscal year.

Suggested Audit Procedures

- Document the policies and procedures established for obligating Chapter 2 funds.
- Evaluate the adequacy of these procedures to ensure that Chapter 2 funds are obligated within the period of availability.
- Test to determine if the prescribed policies and procedures were adhered to and if Chapter 2 funds were properly obligated within the period of availability.

Compliance Requirement

An LEA must retain records, for audit and evaluation, for five years after completion of the project activity or until audit resolution is complete. (Sec. 437(a) of GEPA)

Suggested Audit Procedures

- Review procedures for retention of records to check their adequacy.
- Review correspondence and determine whether there were any instances of required records not being available.

Compliance Requirement and Suggested Audit Procedures

The last two compliance requirements and suggested audit procedures in the section on Chapter 1 of the Education Consolidation and Improvement Act of 1981 are incorporated by reference.

ROTC

(CFDA # - N/A)

I. Program Objective

To provide instruction and training for high school age students in military procedures. The program is offered as an elective to those students thinking of pursuing a military career.

II. Program Procedures

Instructors must be retired from the particular branch of service they instruct. Application is made by the local school district including the instructors name and Social Security Number. The particular branch of service forwards to the school district the amount of money based upon the instructional days the instructor will be employed by the school district.

III. Compliance Requirements and Suggested Audit Procedures

The auditor is expected to ascertain that the instructor, as noted in the project application, actually received compensation by reviewing the employees earnings record.

FEDERAL EMERGENCY MANAGEMENT AGENCY
Disaster Assistance Program
(CFDA 83.516)

I. Program Objective

The objective of the Disaster Assistance Program is to provide supplemental assistance to states, local governments, and nonprofit organizations, for the alleviation of suffering and hardships resulting from emergencies or a major disaster declared by the President.

II. Program Procedures

Following Presidential declaration of an emergency or major disaster, funds are provided states for their own disaster projects or for transfer to local governments and selected private nonprofit facilities, after approval by athe FEMA Regional Director, of applications for assistance made through a Governor's authorized representative, or in the case of tribal governments, made directly to the FEMA Regional Director.

III. Compliance Requirements and Suggested Audit Procedures

A. Types of Services Allowed or Unallowed

Compliance Requirement

Disaster assistance funds can be expended only on allowable services and at approved rates specified in the approved grant agreement. Disaster assistance funds cannot be used for expenditures funded by other Federal programs. (44 CFR 205.73, .75 and .76)

Suggested Audit Procedures

- Review approved grant agreement.
- Test expenditure records.
- Determine nature of expenditures and the sources of funding for disaster related expenditures.

Compliance Requirement

Funds from insurance settlements, salvage, or other sources for specific losses must be deducted by the applicant from its claim. (44 CFR 205.10)

Suggested Audit Procedures

- Review insurance policies, minutes of legislative body meetings, and other sources likely to reveal the existence of insurance claims, salvage payments and similar receipts.
- Test financial records and determine the manner in which such receipts were processed.
- Obtain a representation letter containing a statement that no insurance recoveries, salvage receipts or other payments for specific losses were received other than those listed.

Compliance Requirement

Funds approved as a grant-in-lieu can only be used as a contribution for the construction of larger or improved facilities that restore at least the pre-disaster capacity of the damaged or destroyed facility. (44 CFR 205.76 and .113)

Suggested Audit Procedures

- On a sample basis, review damage survey reports for damaged or destroyed facilities.
- Ascertain amount of grants-in-lieu.
- Ascertain costs for new facilities.

Compliance Requirement

Costs incurred before the approved starting date of the incident period or for damages in specific categories of work specified in the agreement that occur after the prescribed termination date are not allowed. (44 CFR 205.116)

Suggested Audit Procedures

- Review the Federal-state agreement and the grant approval letters and ascertain the approved starting and ending dates of the incident and the termination date for all categories of work.
- Test expenditure records and ascertain that costs were for damages incurred within approved starting and ending dates and that costs were not incurred after the termination dates for each category of work.

Compliance Requirement

Projects of $10,000 or more must be inspected by a state or Federal inspector, with a final inspection report signed by the Federal inspector. Projects of less than $10,000 may be inspected and certified by the applicant's agent. Certification will include the claimed actual costs. (44 CFR 205.117)

Suggested Audit Procedures

- Identify items for which inspection is required.
- Review final inspection reports and certifications.

B. Eligibility

The auditor is not expected to perform tests for eligibility.

C. Matching, level of effort, and/or Earmarking Requirements

Compliance Requirement

Costs must be on a shared basis as specified in the Federal-state agreement. (P.L. 93-288, Sec. 301(b), 42 USC 5141(b), 44 CFR 205.44, 205.27)

Suggested Audit Procedures

- Review the Federal-state agreement and determine the cost-sharing requirements.
- Review the financial and other records and determine the amount and nature of the state and local government's share.

D. Reporting Requirements

The following financial reports must be submitted periodically:

- Request for Advance or Reimbursement (SF 270)
- Financial Status Report (SF 269)
- Federal Cash Transactions Report (SF 272)

Suggested Audit Procedures

See Federal Financial Reports (VI) in the *GENERAL REQUIREMENTS* section of this document.

E. Special Tests and Provisions

Compliance Requirement

Over-advances must be refunded without delay upon receipt of a "Bill for Collection." (44 CFR 205.119)

Suggested Audit Procedures

- Contact the FEMA Regional Claims Collection Officer and ascertain the dates and amounts of any bills rendered.
- Ascertain payment dates for bills.

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

(CFDA 84.041)

I. Program Objectives

The objectives of the School Assistance in Federally Affected Areas Program (Impact Aid/Disaster Aid) are to: (1) provide financial assistance to local educational agencies whose enrollments or revenue availability are adversely affected by Federal activities, e.g., Federal acquisition of real property, sudden and substantial increase in school attendance, children residing on tax free Federal property or who reside with a parent employed on tax free property owned by the Federal government; and (2) provide financial assistance when a major disaster is declared by the President.

II. Program Procedures

Funds are provided to local educational agencies that submit applications through their state educational agency, on the basis of the application of a statutorally-defined formula to data supplied by the LEA.

III. Compliance Requirements and Suggested Audit Procedures

A. Types of Services Allowed or Unallowed

Compliance Requirement

- Unless otherwise prohibited by law, there are generally no unallowed services for impact aid.
- Funds provided for major disasters may be used for preventive work, use of applicant-owned equipment, work performed by applicant's maintenance employees, utilities, equipment replacement, off-site work, trees and seeding, architectural and engineering fees, damage of school facilities during replacement, damage to school facilities during disaster recovery, administrative expenses,

277

temporary facilities, equipment for temporary facilities, and resources. (34 CFR 220.2-220.4)

Suggested Audit Procedures

- Examine Federal Review Team's estimate of costs.
- Test expenditure and related records.

B. Eligibility

The auditor is not expected to make tests for eligibility.

C. Matching, Level of Effort, and/or Earmarking Requirements

There are no matching, level of effort, or earmarking requirements.

D. Reporting Requirements

Compliance Requirement

The following financial reports must be submitted periodically:

- Request for Advance or Reimbursement (SF 270)[1]
- Financial Status Report (SF 269)
- Recipient Report of Expenditures (ED 868, 868-1)[2]

Suggested Audit Procedures

See Federal Financial Reports (VI) in the *GENERAL REQUIREMENTS* section of this document.

E. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

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[1] For all grantees under direct payment method and for grantees under letter-of-credit method if funds are disbursed by the Department of Education.

[2] Forms are approved conditionally with the understanding that changes may have to be made in the definitions of terms used in the forms at the completion of an OMB cash management study.

APPENDICES

APPENDIX A

Superintendent's Authorization for Release of Data

Mr. Richard M. Hammett
Audits Manager
South Carolina Department of Education
1321 Lady Street, Suite 701
Columbia, South Carolina 29201

Dear Mr. Hammett:

On ______________________, ____
(Date) (Name of Superintendent)

Superintendent of ______________________________________ has authorized the South Carolina
(LEA)

Department of Education to disclose to: (Name and Address of Independent Auditors)

____

____

copies of the "Payments to Counties" and "Project Accounting Master," for FY _________ and any subsequent updates relating to funding that may be made available.

The purpose of the disclosure is for the Annual Audit of the LEA's Financial Records as prescribed by the Defined Minimum Program for South Carolina School Districts.

Please send this material directly to the independent auditor listed above.

____
(Superintendent's Signature)

SDE 42-059-02 (This form becomes obsolete 6/30/90.)

APPENDIX B

THE SINGLE AUDIT ACT OF 1984
PUBLIC LAW 98-502

Ninety-eighth Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Monday, the twenty-third day of January, one thousand nine hundred and eighty-four

An Act

To establish uniform audit requirements for State and local governments receiving Federal financial assistance.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; PURPOSE

Section 1. (a) This Act may be cited as the "Single Audit Act of 1984".

(b) It is the purpose of this Act—

(1) to improve the financial management of State and local governments with respect to Federal financial assistance programs;

(2) to establish uniform requirements for audits of Federal financial assistance provided to State and local governments;

(3) to promote the efficient and effective use of audit resources; and

(4) to ensure that Federal departments and agencies, to the maximum extent practicable, rely upon and use audit work done pursuant to chapter 75 of title 31, United States Code (as added by this Act).

AMENDMENT TO TITLE 31, UNITED STATES CODE

Sec. 2. (a) Subtitle V of title 31, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 75—REQUIREMENTS FOR SINGLE AUDITS

"Sec.
"7501. Definitions.
"7502. Audit requirements; exemptions.
"7503. Relation to other audit requirements.
"7504. Cognizant agency responsibilities.
"7505. Regulations.
"7506. Monitoring responsibilities of the Comptroller General.
"7507. Effective date; report.

"§ 7501. Definitions

"As used in this chapter, the term—

"(1) 'cognizant agency' means a Federal agency which is assigned by the Director with the responsibility for implementing the requirements of this chapter with respect to a particular State or local government.

"(2) 'Comptroller General' means the Comptroller General of the United States.

"(3) 'Director' means the Director of the Office of Management and Budget.

"(4) 'Federal financial assistance' means assistance provided by a Federal agency in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, or direct appropriations, but does not include direct Federal cash assistance to individuals.

"(5) 'Federal agency' has the same meaning as the term 'agency' in section 551(1) of title 5, United States Code.

"(6) 'generally accepted accounting principles' has the meaning specified in the generally accepted government auditing standards.

"(7) 'generally accepted government auditing standards' means the standards for audit of governmental organizations, programs, activities, and functions, issued by the Comptroller General.

"(8) 'independent auditor' means—

"(A) an external State or local government auditor who meets the independence standards included in generally accepted government auditing standards, or

"(B) a public accountant who meets such independence standards.

"(9) 'internal controls' means the plan of organization and methods and procedures adopted by management to ensure that—

"(A) resource use is consistent with laws, regulations, and policies;

"(B) resources are safeguarded against waste, loss, and misuse; and

"(C) reliable data are obtained, maintained, and fairly disclosed in reports.

"(10) 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporation (as defined in, or established under, the Alaskan Native Claims Settlement Act) that is recognized by the United States as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"(11) 'local government' means any unit of local government within a State, including a county, borough, municipality, city, town, township, parish, local public authority, special district, school district, intrastate district, council of governments, and any other instrumentality of local government.

"(12) 'major Federal assistance program' means any program for which total expenditures of Federal financial assistance by the State or local government during the applicable year exceed—

"(A) $20,000,000 in the case of a State or local government for which such total expenditures for all programs exceed $7,000,000,000;

"(B) $19,000,000 in the case of a State or local government for which such total expenditures for all programs exceed $6,000,000,000 but are less than or equal to $7,000,000,000;

"(C) $16,000,000 in the case of a State or local government for which such total expenditures for all programs exceed $5,000,000,000 but are less than or equal to $6,000,000,000;

"(D) $13,000,000 in the case of a State or local government for which such total expenditures for all programs exceed $4,000,000,000 but are less than or equal to $5,000,000,000;

282

"(E) $10,000,000 in the case of a State or local government for which such total expenditures for all programs exceed $3,000,000,000 but are less than or equal to $4,000,000,000;

"(F) $7,000,000 in the case of a State or local government for which such total expenditures for all programs exceed $2,000,000,000 but are less than or equal to $3,000,000,000;

"(G) $4,000,000 in the case of a State or local government for which such total expenditures for all programs exceed $1,000,000,000 but are less than or equal to $2,000,000,000;

"(H) $3,000,000 in the case of a State or local government for which such total expenditures for all programs exceed $100,000,000 but are less than or equal to $1,000,000,000; and

"(I) the larger of (i) $300,000, or (ii) 3 percent of such total expenditures for all programs, in the case of a State or local government for which such total expenditures for all programs exceed $100,000 but are less than or equal to $100,000,000.

"(13) 'public accountants' means those individuals who meet the qualification standards included in generally accepted government auditing standards for personnel performing government audits.

"(14) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, any instrumentality thereof, any multi-State, regional, or interstate entity which has governmental functions, and any Indian tribe.

"(15) 'subrecipient' means any person or government department, agency, or establishment that receives Federal financial assistance through a State or local government, but does not include an individual that receives such assistance.

"§ 7502. Audit requirements; exemptions

"(a)(1)(A) Each State and local government which receives a total amount of Federal financial assistance equal to or in excess of $100,000 in any fiscal year of such government shall have an audit made for such fiscal year in accordance with the requirements of this chapter and the requirements of the regulations prescribed pursuant to section 7505 of this title.

"(B) Each State and local government that receives a total amount of Federal financial assistance which is equal to or in excess of $25,000 but less than $100,000 in any fiscal year of such government shall—

"(i) have an audit made for such fiscal year in accordance with the requirements of this chapter and the requirements of the regulations prescribed pursuant to section 7505 of this title; or

"(ii) comply with any applicable requirements concerning financial or financial and compliance audits contained in Federal statutes and regulations governing programs under which such Federal financial assistance is provided to that government.

"(C) Each State and local government that receives a total amount of Federal financial assistance which is less than $25,000 in any fiscal year of such government shall be exempt for such fiscal year from compliance with—

"(i) the audit requirements of this chapter; and

"(ii) any applicable requirements concerning financial or financial and compliance audits contained in Federal statutes and regulations governing programs under which such Federal financial assistance is provided to that government.

The provisions of clause (ii) of this subparagraph do not exempt a State or local government from compliance with any provision of a Federal statute or regulation that requires such government to maintain records concerning Federal financial assistance provided to such government or that permits a Federal agency or the Comptroller General access to such records.

"(2) For purposes of this section, a State or local government shall be considered to receive Federal financial assistance whether such assistance is received directly from a Federal agency or indirectly through another State or local government.

"(b)(1) Except as provided in paragraphs (2) and (3), audits conducted pursuant to this chapter shall be conducted annually.

"(2) If a State or local government is required—

"(A) by constitution or statute, as in effect on the date of enactment of this chapter, or

"(B) by administrative rules, regulations, guidelines, standards, or policies, as in effect on such date,

to conduct its audits less frequently than annually, the cognizant agency for such government shall, upon request of such government, permit the government to conduct its audits pursuant to this chapter biennially, except as provided in paragraph (3). Such audits shall cover both years within the biennial period.

"(3) Any State or local government that is permitted, under clause (B) of paragraph (2), to conduct its audits pursuant to this chapter biennially by reason of the requirements of a rule, regulation, guideline, standard, or policy, shall, for any of its fiscal years beginning after December 31, 1986, conduct such audits annually unless such State or local government codifies a requirement for biennial audits in its constitution or statutes by January 1, 1987. Audits conducted biennially under the provisions of this paragraph shall cover both years within the biennial period.

"(c) Each audit conducted pursuant to subsection (a) shall be conducted by an independent auditor in accordance with generally accepted government auditing standards, except that, for the purposes of this chapter, such standards shall not be construed to require economy and efficiency audits, program results audits, or program evaluations.

"(d)(1) Each audit conducted pursuant to subsection (a) for any fiscal year shall cover the entire State or local government's operations except that, at the option of such government—

"(A) such audit may, except as provided in paragraph (5), cover only each department, agency, or establishment which received, expended, or otherwise administered Federal financial assistance during such fiscal year; and

"(B) such audit may exclude public hospitals and public colleges and universities.

"(2) Each such audit shall encompass the entirety of the financial operations of such government or of such department, agency, or establishment, whichever is applicable, and shall determine and report whether—

"(A)(i) the financial statements of the government, department, agency, or establishment present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles; and

"(ii) the government, department, agency, or establishment has complied with laws and regulations that may have a material effect upon the financial statements;

"(B) the government, department, agency, or establishment has internal control systems to provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations; and

"(C) the government, department, agency, or establishment has complied with laws and regulations that may have a material effect upon each major Federal assistance program.

In complying with the requirements of subparagraph (C), the independent auditor shall select and test a representative number of transactions from each major Federal assistance program.

"(3) Transactions selected from Federal assistance programs, other than major Federal assistance programs, pursuant to the requirements of paragraphs (2)(A) and (2)(B) shall be tested for compliance with Federal laws and regulations that apply to such transactions. Any noncompliance found in such transactions by the independent auditor in making determinations required by this paragraph shall be reported.

"(4) The number of transactions selected and tested under paragraphs (2) and (3), the selection and testing of such transactions, and the determinations required by such paragraphs shall be based on the professional judgment of the independent auditor.

"(5) Each State or local government which, in any fiscal year of such government, receives directly from the Department of the Treasury a total of $25,000 or more under chapter 67 of this title (relating to general revenue sharing) and which is required to conduct an audit pursuant to this chapter for such fiscal year shall not have the option provided by paragraph (1)(A) for such fiscal year.

"(6) A series of audits of individual departments, agencies, and establishments for the same fiscal year may be considered to be an audit for the purpose of this chapter.

"(e)(1) Each State and local government subject to the audit requirements of this chapter, which receives Federal financial assistance and provides $25,000 or more of such assistance in any fiscal year to a subrecipient, shall—

"(A) if the subrecipient conducts an audit in accordance with the requirements of this chapter, review such audit and ensure that prompt and appropriate corrective action is taken on instances of material noncompliance with applicable laws and regulations with respect to Federal financial assistance provided to the subrecipient by the State or local government; or

"(B) if the subrecipient does not conduct an audit in accordance with the requirements of this chapter—

"(i) determine whether the expenditures of Federal financial assistance provided to the subrecipient by the State or local government are in accordance with applicable laws and regulations; and

"(ii) ensure that prompt and appropriate corrective action is taken on instances of material noncompliance with applicable laws and regulations with respect to Federal financial assistance provided to the subrecipient by the State or local government.

"(2) Each such State and local government shall require each subrecipient of Federal assistance through such government to permit, as a condition of receiving funds from such assistance, the independent auditor of the State or local government to have such access to the subrecipient's records and financial statements as may be necessary for the State or local government to comply with this chapter.

"(f) The report made on any audit conducted pursuant to this section shall, within thirty days after completion of such report, be transmitted to the appropriate Federal officials and made available by the State or local government for public inspection.

(g) If an audit conducted pursuant to this section finds any material noncompliance with applicable laws and regulations by, or material weakness in the internal controls of, the State or local government with respect to the matters described in subsection (d)(2), the State or local government shall submit to appropriate Federal officials a plan for corrective action to eliminate such material noncompliance or weakness or a statement describing the reasons that corrective action is not necessary. Such plan shall be consistent with the audit resolution standard promulgated by the Comptroller General (as part of the standards for internal controls in the Federal Government) pursuant to section 3512(b) of this title.

"§ 7503. Relation to other audit requirements

"(a) An audit conducted in accordance with this chapter shall be in lieu of any financial or financial and compliance audit of an individual Federal assistance program which a State or local government is required to conduct under any other Federal law or regulation. To the extend that such audit provides a Federal agency with the information it requires to carry out its responsibilities under Federal law or regulation, a Federal agency shall rely upon and use that information and plan and conduct its own audits accordingly in order to avoid a duplication of effort.

"(b) Notwithstanding subsection (a), a Federal agency shall conduct any additional audits which are necessary to carry out its responsibilities under Federal law or regulation. The provisions of this chapter do not authorize any State or local government (or subrecipient thereof) to constrain, in any manner, such agency from carrying out such additional audits.

"(c) The provisions of this chapter do not limit the authority of Federal agencies to conduct, or enter into contracts for the conduct of, audits and evaluations of Federal financial assistance programs, nor limit the authority of any Federal agency Inspector General or other Federal audit official.

"(d) Subsection (a) shall apply to a State or local government which conducts an audit in accordance with this chapter even though it is not required by section 7502(a) to conduct such audit.

"(e) A Federal agency that performs or contracts for audits in addition to the audits conducted by recipients pursuant to this chapter shall, consistent with other applicable law, arrange for funding the cost of such additional audits. Such additional audits include economy and efficiency audits, program results audits, and program evaluations.

"§ 7504. Cognizant agency responsibilities

"(a) The Director shall designate cognizant agencies for audits conducted pursuant to this chapter.

"(b) A cognizant agency shall—

"(1) ensure that audits are made in a timely manner and in accordance with the requirements of this chapter;

"(2) ensure that the audit reports and corrective action plans made pursuant to section 7502 of this title are transmitted to the appropriate Federal officials; and

"(3)(A) coordinate, to the extent practicable, audits done by or under contract with Federal agencies that are in addition to the audits conducted pursuant to this chapter; and (B) ensure that such additional audits build upon the audits conducted pursuant to this chapter.

"§ 7505. Regulations

"(a) The Director, after consultation with the Comptroller General and appropriate Federal, State, and local government officials, shall prescribe policies, procedures, and guidelines to implement this chapter. Each Federal agency shall promulgate such amendments to its regulations as may be necessary to conform such regulations to the requirements of this chapter and of such policies, procedures, and guidelines.

"(b)(1) The policies, procedures, and guidelines prescribed pursuant to subsection (a) shall include criteria for determining the appropriate charges to programs of Federal financial assistance for the cost of audits. Such criteria shall prohibit a State or local government which is required to conduct an audit pursuant to this chapter from charging to any such program (A) the cost of any financial or financial and compliance audit which is not conducted in accordance with this chapter, and (B) more than a reasonably proportionate share of the cost of any such audit that is conducted in accordance with this chapter.

"(2) The criteria prescribed pursuant to paragraph (1) shall not, in the absence of documentation demonstrating a higher actual cost, permit (A) the ratio of (i) the total charges by a government to Federal financial assistance programs for the cost of audits performed pursuant to this chapter, to (ii) the total cost of such audits, to exceed (B) the ratio of (i) total Federal financial assistance expended by such government during the applicable fiscal year or years, to (ii) such government's total expenditures during such fiscal year or years.

"(c) Such policies, procedures, and guidelines shall include such provisions as may be necessary to ensure that small business concerns and business concerns owned and controlled by socially and economically disadvantaged individuals will have the opportunity to participate in the performance of contracts awarded to fulfill the audit requirements of this chapter.

"§ 7506. Monitoring responsibilities of the Comptroller General

"The Comptroller General shall review provisions requiring financial or financial and compliance audits of recipients of Federal assistance that are contained in bills and resolutions reported by the committees of the Senate and the House of Representatives. If the Comptroller General determines that a bill or resolution contains provisions that are inconsistent with the requirements of this chapter, the Comptroller General shall, at the earliest practicable date, notify in writing—

"(1) the committee that reported such bill or resolution; and

"(2)(A) the Committee on Governmental Affairs of the Senate (in the case of a bill or resolution reported by a committee of the Senate); or

"(B) the Committee on Government Operations of the House of Representatives (in the case of a bill or resolution reported by a committee of the House of Representatives).

"§ 7507. Effective date; report

"(a) This chapter shall apply to any State or local government with respect to any of its fiscal years which begin after December 31, 1984.

"(b) The Director, on or before May 1, 1987, and annually thereafter, shall submit to each House of Congress a report on operations under this chapter. Each such report shall specifically identify each Federal agency or State or local government which is failing to comply with this chapter.".

(b) The provisions of this Act shall not diminish or otherwise affect the authority of the Tennessee Valley Authority to conduct its own audits of any matter involving funds disbursed by the Tennessee Valley Authority.

(c) The table of chapters for subtitle V of title 31, United States Code, is amended by inserting after the item relating to chapter 73 the following new item:

"75. Requirements for Single Audits .... 7501".

Speaker of the House of Representatives.

Vice President of the United States and
President of the Senate.

APPENDIX C

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

April 12, 1985 CIRCULAR No. A-128

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Audits of State and Local Governments.

1. Purpose. This Circular is issued pursuant to the Single Audit Act of 1984, P.L. 98-502. It establishes audit requirements for State and local governments that receive Federal aid, and defines Federal responsibilities for implementing and monitoring those requirements.

2. Supersession. The Circular supersedes Attachment P, "Audit Requirements," of Circular A-102, "Uniform requirements for grants to State and local governments."

3. Background. The Single Audit Act builds upon earlier efforts to improve audits of Federal aid programs. The Act requires State or local governments that receive $100,000 or more a year in Federal funds to have an audit made for that year. Section 7505 of the Act requires the Director of the Office of Management and Budget to prescribe policies, procedures and guidelines to implement the Act. It specifies that the Director shall designate "cognizant" Federal agencies, determine criteria for making appropriate charges to Federal programs for the cost of audits, and provide procedures to assure that small firms or firms owned and controlled by disadvantaged individuals have the opportunity to participate in contracts for single audits.

4. Policy. The Single Audit Act requires the following:

a. State or local governments that receive $100,000 or more a year in Federal financial assistance shall have an audit made in accordance with this Circular.

b. State or local governments that receive between $25,000 and $100,000 a year shall have an audit made in accordance with this Circular, or in accordance with Federal laws and regulations governing the programs they participate in.

c. State or local governments that receive less than $25,000 a year shall be exempt from compliance with the Act and other Federal audit requirements. These State and local governments shall be governed by audit requirements prescribed by State or local law or regulation.

d. Nothing in this paragraph exempts State or local governments from maintaining records of Federal financial assistance or from providing access to such records to Federal agencies, as provided for in Federal law or in Circular A-102, "Uniform requirements for grants to State or local governments."

5. Definitions. For the purposes of this Circular the following definitions from the Single Audit Act apply:

a. "Cognizant agency" means the Federal agency assigned by the Office of Management and Budget to carry out the responsibilities described in paragraph 11 of this Circular.

b. "Federal financial assistance" means assistance provided by a Federal agency in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations, but does not include direct Federal cash assistance to individuals. It includes awards received directly from Federal agencies, or indirectly through other units of State and local governments.

c. "Federal agency" has the same meaning as the term 'agency' in section 551(1) of Title 5, United States Code.

d. "Generally accepted accounting principles" has the meaning specified in the generally accepted government auditing standards.

e. "Generally accepted government auditing standards" means the Standards For Audit of Government Organizations, Programs, Activities, and Functions, developed by the Comptroller General, dated February 27, 1981.

f. "Independent auditor" means:

(1) a State or local government auditor who meets the independence standards specified in generally accepted government auditing standards; or

(2) a public accountant who meets such independence standards.

g. "Internal controls" means the plan of organization and methods and procedures adopted by management to ensure that:

(1) resource use is consistent with laws, regulations, and policies;

(2) resources are safeguarded against waste, loss, and misuse; and

(3) reliable data are obtained, maintained, and fairly disclosed in reports.

h. "Indian tribe" means any Indian tribe, band, nations, or other organized group or community, including any Alaskan Native village or regional or village corporations (as defined in, or established under, the Alaskan Native Claims Settlement Act) that is recognized by the United States as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

i. "Local government" means any unit of local government within a State, including a county, a borough, municipality, city, town, township, parish, local public authority, special district, school district, intrastate district, council of governments, and any other instrumentality of local government.

j. "Major Federal Assistance Program," as defined by P.L. 98-502, is described in the Attachment to this Circular.

k. "Public accountants" means those individuals who meet the qualification standards included in generally accepted government auditing standards for personnel performing government audits.

l. "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, any instrumentality thereof, and any multi-State, regional, or interstate entity that has governmental functions and any Indian tribe.

m. "Subrecipient" means any person or government department, agency, or establishment that receives Federal financial assistance to carry out a program through a State or local government, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a direct recipient of Federal financial assistance.

6. Scope of audit. The Single Audit Act provides that:

a. The audit shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial and compliance audits.

b. The audit shall cover the entire operations of a State or local government or, at the option of that government, it may cover departments, agencies or establishments that received, expended, or otherwise administered Federal financial assistance during the year. However, if a State or local government receives $25,000 or more in General Revenue Sharing Funds in a fiscal year, it shall have an audit of its entire operations. A series of audits of individual departments, agencies, and establishments for the same fiscal year may be considered a single audit.

c. Public hospitals and public colleges and universities may be excluded from State and local audits and the requirements of this Circular. However, if such entities are excluded, audits of these entities shall be made in accordance with statutory requirements and the provisions of Circular A-110, "Uniform requirements for grants to universities, hospitals, and other nonprofit organizations."

d. The auditor shall determine whether:

(1) the financial statements of the government, department, agency or establishment present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles;

(2) the organization has internal accounting and other control systems to provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations; and

(3) the organization has complied with laws and regulations that may have material effect on its financial statements and on each major Federal assistance program.

7. Frequency of audit. Audits shall be made annually unless the State or local government has, by January 1, 1987, a constitutional or statutory requirement for less frequent audits. For those governments, the cognizant agency shall permit biennial audits, covering both years, if the government so requests. It shall also honor requests for biennial audits by governments that have an administrative policy calling for audits less frequent than annual, but only for fiscal years beginning before January 1, 1987.

8. Internal control and compliance reviews. The Single Audit Act requires that the independent auditor determine and report on whether the organization has internal control systems to provide reasonable assurance that it is managing Federal assistance programs in compliance with applicable laws and regulations.

a. Internal control review. In order to provide this assurance the auditor must make a study and evaluation of internal control systems used in administering Federal assistance programs. The study and evaluation must be made whether or not the auditor intends to place reliance on such systems. As part of this review, the auditor shall:

(1) Test whether these internal control systems are functioning in accordance with prescribed procedures.

(2) Examine the recipient's system for monitoring subrecipients and obtaining and acting on subrecipient audit reports.

b. Compliance review. The law also requires the auditor to determine whether the organization has complied with laws and regulations that may have a material effect on each major Federal assistance program.

(1) In order to determine which major programs are to be tested for compliance, State and local governments shall identify in their accounts all Federal funds received and expended and the programs under which they were received. This shall include funds received directly from Federal agencies and through other State and local governments.

(2) The review must include the selection and testing of a representative number of charges from each major Federal assistance program. The selection and testing of transactions shall be based on the auditor's professional judgment considering such factors as the amount of expenditures for the program and the individual awards; the newness of the program or changes in its conditions; prior experience with the program, particularly as revealed in audits and other evaluations (e.g., inspections, program reviews); the extent to which the program is carried out through subrecipients; the extent to which the program contracts for goods or services; the level to which the program is already subject to program reviews or other forms of independent oversight; the adequacy of the controls for ensuring compliance; the expectation of adherence or lack of adherence to the applicable laws and regulations; and the potential impact of adverse findings.

(a) In making the test of transactions, the auditor shall determine whether:

-- the amounts reported as expenditures were for allowable services, and

-- the records show that those who received services or benefits were eligible to receive them.

(b) In addition to transaction testing, the auditor shall determine whether:

-- matching requirements, levels of effort and earmarking limitations were met,

-- Federal financial reports and claims for advances and reimbursements contain information that is supported by the books and records from which the basic financial statements have been prepared, and

-- amounts claimed or used for matching were determined in accordance with OMB Circular A-87, "Cost principles for State and local governments," and Attachment F of Circular A-102, "Uniform requirements for grants to State and local governments."

(c) The principal compliance requirements of the largest Federal aid programs may be ascertained by referring to the Compliance Supplement for Single Audits of State and Local Governments, issued by OMB and available from the Government Printing Office. For those programs not covered in the Compliance Supplement, the auditor may ascertain compliance requirements by researching the statutes, regulations, and agreements governing individual programs.

(3) Transactions related to other Federal assistance programs that are selected in connection with examinations of financial statements and evaluations of internal controls shall be tested for compliance with Federal laws and regulations that apply to such transactions.

9. Subrecipients. State or local governments that receive Federal financial assistance and provide $25,000 or more of it in a fiscal year to a subrecipient shall:

a. determine whether State or local subrecipients have met the audit requirements of this Circular and whether subrecipients covered by Circular A-110, "Uniform requirements for grants to universities, hospitals, and other nonprofit organizations," have met that requirement;

b. determine whether the subrecipient spent Federal assistance funds provided in accordance with applicable laws and regulations. This may be accomplished by reviewing an audit of the subrecipient made in accordance with this Circular, Circular A-110, or through other means (e.g., program reviews) if the subrecipient has not yet had such an audit;

c. ensure that appropriate corrective action is taken within six months after receipt of the audit report in instances of noncompliance with Federal laws and regulations;

d. consider whether subrecipient audits necessitate adjustment of the recipient's own records; and

e. require each subrecipient to permit independent auditors to have access to the records and financial statements as necessary to comply with this Circular.

10. Relation to other audit requirements. The Single Audit Act provides that an audit made in accordance with this Circular shall be in lieu of any financial or financial compliance audit required under individual Federal assistance programs. To the extent that a single audit provides Federal agencies with information and assurances they need to carry out their overall responsibilities, they shall rely upon and use such information. However, a Federal agency shall make any additional audits which are necessary to carry out its responsibilities under Federal law and regulation. Any additional Federal audit effort shall be planned and carried out in such a way as to avoid duplication.

a. The provisions of this Circular do not limit the authority of Federal agencies to make, or contract for audits and evaluations of Federal financial assistance programs, nor do they limit the authority of any Federal agency Inspector General or other Federal audit official.

b. The provisions of this Circular do not authorize any State or local government or subrecipient thereof to constrain Federal agencies, in any manner, from carrying out additional audits.

c. A Federal agency that makes or contracts for audits in addition to the audits made by recipients pursuant to this Circular shall, consistent with other applicable laws and regulations, arrange for funding the cost of such additional audits. Such additional audits include economy and efficiency audits, program results audits, and program evaluations.

11. Cognizant agency responsibilities. The Single Audit Act provides for cognizant Federal agencies to oversee the implementation of this Circular.

a. The Office of Management and Budget will assign cognizant agencies for States and their subdivisions and larger local governments and their subdivisions. Other Federal agencies may participate with an assigned cognizant agency, in order to fulfill the cognizance responsibilities. Smaller governments not assigned a cognizant agency will be under the general oversight of the Federal agency that provides them the most funds whether directly or indirectly.

b. A cognizant agency shall have the following responsibilities:

(1) Ensure that audits are made and reports are received in a timely manner and in accordance with the requirements of this Circular.

(2) Provide technical advice and liaison to State and local governments and independent auditors.

(3)· Obtain or make quality control reviews of selected audits made by non-Federal audit organizations, and provide the results, when appropriate, to other interested organizations.

(4) Promptly inform other affected Federal agencies and appropriate Federal law enforcement officials of any reported illegal acts or irregularities. They should also inform State or local law enforcement and prosecuting authorities, if not advised by the recipient, of any violation of law within their jurisdiction.

(5) Advise the recipient of audits that have been found not to have met the requirements set forth in this Circular. In such instances, the recipient will be expected to work with the auditor to take corrective action. If corrective action is not taken, the cognizant agency shall notify the recipient and Federal awarding agencies of the facts and make recommendations for followup action. Major inadequacies or repetitive substandard performance of independent auditors shall be referred to appropriate professional bodies for disciplinary action.

(6) Coordinate, to the extent practicable, audits made by or for Federal agencies that are in addition to the audits made pursuant to this Circular; so that the additional audits build upon such audits.

(7) Oversee the resolution of audit findings that affect the programs of more than one agency.

12. Illegal acts or irregularities. If the auditor becomes aware of illegal acts or other irregularities, prompt notice shall be given to recipient management officials above the level of involvement. (See also paragraph 13(a)(3) below for the auditor's reporting responsibilities.) The recipient, in turn, shall promptly notify the cognizant agency of the illegal acts or irregularities and of proposed and actual actions, if any. Illegal acts and irregularities include such matters as conflicts of interest, falsification of records or reports, and misappropriations of funds or other assets.

13. Audit Reports. Audit reports must be prepared at the completion of the audit. Reports serve many needs of State and local governments as well as meeting the requirements of the Single Audit Act.

a. The audit report shall state that the audit was made in accordance with the provisions of this Circular. The report shall be made up of at least:

(1) The auditor's report on financial statements and on a schedule of Federal assistance; the financial statements; and a schedule of Federal assistance, showing the total expenditures for

each Federal assistance program as identified in the Catalog of Federal Domestic Assistance. Federal programs or grants that have not been assigned a catalog number shall be identified under the caption "other Federal assistance."

(2) The auditor's report on the study and evaluation of internal control systems must identify the organization's significant internal accounting controls, and those controls designed to provide reasonable assurance that Federal programs are being managed in compliance with laws and regulations. It must also identify the controls that were evaluated, the controls that were not evaluated, and the material weaknesses identified as a result of the evaluation.

(3) The auditor's report on compliance containing:

-- a statement of positive assurance with respect to those items tested for compliance, including compliance with law and regulations pertaining to financial reports and claims for advances and reimbursements;

-- negative assurance on those items not tested;

-- a summary of all instances of noncompliance; and

-- an identification of total amounts questioned, if any, for each Federal assistance award, as a result of noncompliance.

b. The three parts of the audit report may be bound into a single report, or presented at the same time as separate documents.

c. All fraud abuse, or illegal acts or indications of such acts, including all questioned costs found as the result of these acts that auditors become aware of, should normally be covered in a separate written report submitted in accordance with paragraph 13f.

d. In addition to the audit report, the recipient shall provide comments on the findings and recommendations in the report, including a plan for corrective action taken or planned and comments on the status of corrective action taken on prior findings. If corrective action is not necessary, a statement describing the reason it is not should accompany the audit report.

e. The reports shall be made available by the State or local government for public inspection within 30 days after the completion of the audit.

f. In accordance with generally accepted government audit standards, reports shall be submitted by the auditor to the organization audited and to those requiring or arranging for the audit. In addition, the recipient shall submit copies of the reports to each Federal department or agency that provided Federal assistance funds to the recipient. Subrecipients shall submit copies to recipients that provided them Federal assistance funds. The reports shall be sent within 30 days after the completion of the audit, but no later than one year after the end of the audit period unless a longer period is agreed to with the cognizant agency.

g. Recipients of more than $100,000 in Federal funds shall submit one copy of the audit report within 30 days after issuance to a central clearinghouse to be designated by the Office of Management and Budget. The clearinghouse will keep completed audits on file and follow up with State and local governments that have not submitted required audit reports.

h. Recipients shall keep audit reports on file for three years from their issuance.

14. Audit Resolution. As provided in paragraph 11, the cognizant agency shall be responsible for monitoring the resolution of audit findings that affect the programs of more than one Federal agency. Resolution of findings that relate to the programs of a single Federal agency will be the responsibility of the recipient and that agency. Alternate arrangements may be made on a case-by-case basis by agreement among the agencies concerned.

Resolution shall be made within six months after receipt of the report by the Federal departments and agencies. Corrective action should proceed as rapidly as possible.

15. Audit workpapers and reports. Workpapers and reports shall be retained for a minimum of three years from the date of the audit report, unless the auditor is notified in writing by the cognizant agency to extend the retention period. Audit workpapers shall be made available upon request to the cognizant agency or its designee or the General Accounting Office, at the completion of the audit.

16. Audit Costs. The cost of audits made in accordance with the provisions of this Circular are allowable charges to Federal assistance programs.

a. The charges may be considered a direct cost or an allocated indirect cost, determined in accordance with the provisions of Circular A-87, "Cost principles for State and local governments."

b. Generally, the percentage of costs charged to Federal assistance programs for a single audit shall not exceed the percentage that Federal funds expended represent of total funds expended by the recipient during the fiscal year. The percentage may be exceeded, however, if appropriate documentation demonstrates higher actual cost.

17. Sanctions. The Single Audit Act provides that no cost may be charged to Federal assistance programs for audits required by the Act that are not made in accordance with this Circular. In cases of continued inability or unwillingness to have a proper audit, Federal agencies must consider other appropriate sanctions including:

-- withholding a percentage of assistance payments until the audit is completed satisfactorily,

-- withholding or disallowing overhead costs, and

-- suspending the Federal assistance agreement until the audit is made.

18. Auditor Selection. In arranging for audit services State and local governments shall follow the procurement standards prescribed by Attachment O of Circular A-102, "Uniform requirements for grants to State and local governments." The standards provide that while recipients are encouraged to enter into intergovernmental agreements for audit and other services, analysis should be made to determine whether it would be more economical to purchase the services from private firms. In instances where use of such intergovernmental agreements are required by State statutes (e.g., audit services) these statutes will take precedence.

19. Small and Minority Audit Firms. Small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in contracts awarded to fulfill the requirements of this Circular. Recipients of Federal assistance shall take the following steps to further this goal:

a. Assure that small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals are used to the fullest extent practicable.

b. Make information on forthcoming opportunities available and arrange timeframes for the audit so as to encourage and facilitate participation by small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals.

c. Consider in the contract process whether firms competing for larger audits intend to subcontract with small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals.

d. Encourage contracting with small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals which have traditionally audited government programs and, in such cases where this is not possible, assure that these firms are given consideration for audit subcontracting opportunities.

e. Encourage contracting with consortiums of small audit firms as described in paragraph (a) above when a contract is too large for an individual small audit firm or audit firm owned and controlled by socially and economically disadvantaged individuals.

f. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration in the solicitation and utilization of small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals.

20. Reporting. Each Federal agency will report to the Director of OMB on or before March 1, 1987, and annually thereafter on the effectiveness of State and local governments in carrying out the provisions of this Circular. The report must identify each State or local government or Indian tribe that, in the opinion of the agency, is failing to comply with the Circular.

21. Regulations. Each Federal agency shall include the provisions of this Circular in its regulations implementing the Single Audit Act.

22. Effective date. This Circular is effective upon publication and shall apply to fiscal years of State and local governments that begin after December 31, 1984. Earlier implementation is encouraged. However, until it is implemented, the audit provisions of Attachment P to Circular A-102 shall continue to be observed.

23. Inquiries. All questions or inquiries should be addressed to Financial Management Division, Office of Management and Budget, telephone number 202/395-3993.

24. Sunset review date. This Circular shall have an independent policy review to ascertain its effectiveness three years from the date of issuance.

David A. Stockman

David A. Stockman
Director

300

Definition of Major Program as Provided in P.L. 98-502

"Major Federal Assistance Program," for State and local governments having Federal assistance expenditures between $100,000 and $100,000,000, means any program for which Federal expenditures during the applicable year exceed the larger of $300,000, or 3 percent of such total expenditures.

Where total expenditures of Federal assistance exceed $100,000,000, the following criteria apply:

Total Expenditures of Federal Financial Assistance for All Programs		Major Federal Assistance Program Means any Program That Exceeds
more than	but less than	
$100 million	1 billion	$ 3 million
1 billion	2 billion	4 million
2 billion	3 billion	7 million
3 billion	4 billion	10 million
4 billion	5 billion	13 million
5 billion	6 billion	16 million
6 billion	7 billion	19 million
over 7 billion		20 million

301

APPENDIX D

STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION
COLUMBIA 29201

Charlie G. Williams
State Superintendent of Education

June 6, 1989

MEMORANDUM

TO: County and District Superintendents
Area Vocational Center Directors

FROM: Jack M. Parrish, Director
Office of Finance

SUBJECT: EIA Accounting Procedures for
Subfund 350 - Teacher Salary Increase
Subfund 355 - Employer Contributions
Subfund 370 - Assist Teachers with Paperwork

A number of school districts have requested clarification of the accounting procedures to record the revenue and expenditures for EIA subfunds #350, #355, and #370.

Subfund 350 - Teacher Salary Increase
Subfund 355 - Employer Contributions

A November 9, 1984 State Department of Education memorandum regarding EIA Accounting Procedures, authorizes two methods for recording these transactions.

The first method requires that the State revenue for the teacher salary increase and related employee benefits be receipted in the appropriate EIA special revenue subfunds. Expenditures must be recorded in the respective subfund by function and object classification. Any revenue that is unexpended at the close of the fiscal year will revert to the State EIA fund.

The second method requires that the State revenue be receipted in the appropriate EIA special revenue subfunds as in method one, but permits a subsequent transfer of revenue to the general fund. Expenditures for the teacher salary increase must be reflected in the general fund by function and object classification and may be included as part of the employee's regular salary expenditures. If teacher salary increase expenditures are recorded or reported as a separate identifiable line item rather than as part of regular salary expenditures, the total of the expenditures identified as the EIA teacher salary increase must equal or exceed the state allocation for subfund 350-Teacher Salary Increase at the close of the fiscal year or the unexpended amount will revert to the State EIA fund.

Districts may choose either of the methods described above; however, if method one is chosen, no EIA special revenue subfund 350-Teacher Salary Increase or subfund 355-Employer Contributions revenue may be transferred to the general fund. Consequently, if the transfer method is selected, all teacher salary increase and related employee benefit revenue must be transferred and accounted for in the general fund. Your district must choose one of the two options. Your independent audit report will be returned if it reflects a partial transfer of subfund 350 and subfund 355 revenues.

Subfund 370 - Assist Teachers with Paperwork

EIA funding under this strategy is provided to school districts on a cost reimbursement basis. Districts are allowed to purchase from an approved list of equipment provided by the State Department of Education.

There is no carryover provision under this subfund. Funding must be expended by your school district in the fiscal year it is allocated or be returned to the State EIA Fund.

The controlling factor which determines whether a liability exists as of June 30 is the delivery of goods or the performance of services. Only equipment received by June 30, 1989 can be charged to the 1988-89 EIA subfund 370 allocation.

There is no transfer provision with the EIA subfund 370 allocation. All expenditures must be charged directly to this subfund.

If you have any questions regarding any of these procedures, please contact Mr. Henry R. Sweatman, Chief Supervisor at 253-4069.

JMP:ram

cc: School Business Officials

APPENDIX E

STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION
COLUMBIA 29201

Charlie G. Williams
State Superintendent of Education

September 30, 1988

MEMORANDUM

TO: County and District Superintendents
and Area Vocational Center Directors

FROM: Jack M. Parrish, Director
Office of Finance

SUBJECT: Fringe Benefit Reporting

Before 1987-88, fringe benefits were paid by a draft system in which the appropriation was incurred at the state level. Beginning in fiscal year 1987-88, the state appropriated fringe benefits were recorded in the general fund at the school district level. This accounting change has resulted in substantial increases in total general fund revenues and expenditures for a typical school district; however, since the increase was only a flow-through adjustment, there was no local increase resulting from the change of method.

In order to prevent high fluctuations in the reporting of fringe benefits for 1987-88, we are requesting that all fringe benefits related to instruction be reported in account number 150-200(District-wide General/Exceptional Instruction). The allocation can be made very easily by determining the estimated percentage of the salaries or employees applicable to instructional functions and applying the ratio to the total cost of fringe benefits. All other fringe benefits related to support services should be reported in account number 231-200(Board of Education). If you are already reporting fringe costs in each functional level of the accounting system, do not change your method. Attached is a revised copy of page 4.9 of the Audit Guide. Replace the page in your Single Audit Guide and furnish a copy to your independent audit firm for reporting purposes.

For the 1988-89 fiscal year, we recommend that fringe benefits be reported in the function in which the appropriate salary is being recorded. This method should reflect more accurately expenditures for instruction. However, monthly transactions for these costs are not mandated. Many districts will choose to allocate these costs at year end based on total salary and number of employees. The allocated figures at year end will be based on reliable estimates and are not intended to be exact charges to the functional classifications.

Example for 1988-89

	No. of Employees	%	Salary Amount	%
Kindergarten	8	14	$155,000	13
Primary	18	32	362,000	31
.				
.				
High School	24	43	516,000	44
.				
.				
Learning Disabilities	3	5	59,000	5
.				
.				
Attendance and Social	1	2	25,000	2
.				
Educational Media	2	4	48,000	5
	56	100	$1,165,000	100

Fringe Benefits:

FICA	$ 87,491.50			
Retirement	69,900.00			
Subtotal	$ 157,391.50	X	Salary Amount	% of above functions
Health	$ 20,500.00			
Dental	10,200.00			
Subtotal	$ 30,700.00	X	No. of Employees	% of above functions

If you have any specific questions contact Mr. Henry Sweatman at 253-4069.

cc: School Business Officials

Anywhere School District
Anywhere, S. C.
General Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance
For the Fiscal Year Ended June 30, 19XX

	Budget	Actual	Actual (Over) Under Budget
149 Other Special Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
150 DISTRICTWIDE GENERAL/EXCEPTIONAL:			
200 EMPLOYEE BENEFITS			
300 PURCHASED SERVICES			
400 SUPPLIES AND MATERIALS			
500 CAPITAL OUTLAY			
600 OTHER OBJECTS			
Summer School Program			
171 Primary Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
172 Elementary Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

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APPENDIX F

STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION
COLUMBIA 29201

Charlie G. Williams
State Superintendent of Education

January 17, 1990

MEMORANDUM - R:034:A/FS

TO: County and District Superintendents and Area Vocational Directors

FROM: Jack M. Parrish, Director
Office of Finance

SUBJECT: Target 2000 Initiatives

Target 2000 Initiatives will be recorded in a separate special Revenue Fund (800 series) called Target 2000. The legislature has mandated accountability requirements similar to the Education Improvement Act. Each initiative will be accounted for in a separate subfund with a separate group of revenue and expenditure accounts.

The following is a list of subfunds and related revenue codes for the new initiatives:

Target 2000 Fund

Subfunds (800's)	Revenues (3800's)
810 - Parent Education	3810 - Parent Education
820 - Dropout Prevention	3820 - Dropout Prevention
830 - School Innovation	3830 - School Innovation
840 - Arts in Education	3840 - Arts in Education
850 - Higher Order Thinking	3850 - Higher Order Thinking

Education Improvement Act Fund

368 - School Innovation	3568 - School Innovation

The School Innovation Program has a split funding source with the Education Improvement Act and every effort will be made at the state level to distribute the district allocation entirely under only one funding source. The Dropout Prevention Program mandates a summer school carryover to August 31; expenditures incurred after June 30 for the Summer School period should be accrued for the preceding Fiscal Year. These procedures are similar to previous guidelines issued for EIA Gifted and Talented Program.

This memorandum should be incorporated into your *Financial Accounting Handbook* as an addendum for 1989-90. The new accounts will be listed in your printed Chart of Accounts for 1990-91. If your district has numerical conflicts with the utilization of the 800 series subfund accounts, please notify me so that an alternative method can be approved for 1989-90.

An update to the *1989-90 Funding Manual* reflecting Target 2000 initiatives will be mailed to you soon. Specific guidelines for the expenditure of these funds will be included so that you will be aware of the accountability requirements of the Act.

If you have any specific questions about these accounts, call the Auditing and Field Services Office at 253-4069.

/spb

cc: School Business Officials